ANNUAL REPORT 2023

The Trendlines Group Ltd.

Investing to
improve the
human condition

trendlines

trendlines

CONTENTS

*This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.*

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Shortened Forms & Acronyms in this Annual Report

American Depositary Receipt ("ADR")
Annual General Meeting ("AGM")
Asia Pacific ("APAC")
Bayer Crop Science LLC ("Bayer Crop Science" or "BCS")
Bayer Trendlines Ag Innovation Fund ("Bayer Trendlines Ag Fund" or "Ag Fund")
B. Braun Melsungen AG ("B. Braun")
Board of Directors ("Board" or "BOD")
Catalist of the Singapore Exchange Securities Trading Limited ("Catalist of the Singapore Exchange")
Chief Executive Officer ("CEO")
Chief Financial Officer ("CFO")
Chief Operating Officer ("COO")
Chief Technology Officer ("CTO")
Compound Annual Growth Rate ("CAGR")
Environmental, Social and Governance ("ESG")
Fair Value ("FV")
Financial Year Ended 31 December 2021 ("FY2021")
Financial Year Ending 31 December 2022 ("FY2022")
Financial Year Ending 31 December 2023 ("FY2023")
First in Human ("FIH")
Frequently Asked Questions ("FAQs")
General and Administrative ("G&A")
General Partner ("GP")
Global Reporting Initiative ("GRI")
International Financial Reporting Standards ("IFRS")
Initial Public Offering ("IPO")
Intellectual Property ("IP")
Internal Rate of Return ("IRR")
Israel Innovation Authority ("IIA")
Librae Holdings Limited ("LH")
Maryland/Israel Trendlines Fund GP LLC ("Maryland GP")
Maryland/Israel Trendlines Fund L.P. ("M/ITF")
Memorandum of Understanding ("MOU")
Merger and Acquisition ("M&A")
Net Asset Value ("NAV")
OTCQX Market ("OTCQX®," a trademark of the OTC Markets Group Inc.)
PrimePartners Corporate Finance Holdings Pte. Ltd. ("PrimePartners Holdings")
Profit and Loss ("P&L")
Redeemable Convertible Loan ("RCL")
Research and Development ("R&D")
Singapore Dollar ("SGD")
Singapore Exchange Limited ("SGX")
Singapore Israel Industrial Research and Development Foundation ("SIIRD")
Special General Meeting ("SGM")
Task Force on Climate-related Financial Disclosures ("TFCD")
The Trendlines Group Ltd. ("Trendlines" or the "Company," and together with its subsidiaries, the "Group" or "The Trendlines Group")
Trendlines Agrifood Fund Pte. Ltd. ("Trendlines Agrifood Fund")
Trendlines Agrifood Innovation Centre Pte. Ltd. ("Trendlines Agrifood Innovation Centre" or "AFIC")
Trendlines Agtech Ltd. ("Ag Fund GP")
Trendlines International Ltd. ("Trendlines International")
Trendlines Investments Israel Ltd. ("Trendlines Investments", previously Trendlines Agtech-Mofet Ltd.)
Trendlines Medical Singapore Pte. Ltd. ("Trendlines Medical Singapore") Vice President ("VP")
United Nations Sustainable Development Goals ("UN SDGs") United States of America ("US")

Trendlines' Portfolio Companies Shortened Forms

AgriG8 Pte. Ltd. ("AgriG8")
AgroScout Ltd. ("AgroScout")
AgwaFarm Ltd. ("Agwa")
AlgaHealth Ltd. ("AlgaHealth")
Arcuro Medical Ltd. ("Arcuro")
Ayzer Sense Pte. Ltd. ("Ayzer Sense")
BeCapio Ltd. ("BeCapio")
BioFishency Ltd. ("BioFishency")
Celleste Bio Ltd. ("Celleste")
Ceretrieve Ltd. ("Ceretrieve")
Continale Medical Pte. Ltd. ("Continale")
CoreBone Ltd. ("CoreBone")
Dayso Ltd. ("Dayso")
Dermacut Medical Pte. Ltd. ("Dermacut")
EcoPhage Ltd. ("EcoPhage")
ElastiMed Ltd. ("ElastiMed")
EndoSiQ Pte. Ltd. ("EndoSiQ")
Equinom Ltd. ("Equinom")
Escala Medical Ltd. ("Escala")
Gordian Surgical Ltd. ("Gordian")
GreenSpense Ltd. ("GreenSpense")
Harp Diagnostics Ltd. ("Harp")
IBI-Ag Ltd. ("IBI Ag")
Insectta Pte. Ltd. ("Insectta")
interVaal Pte. Ltd. ("interVaal")
iRen Medical Ltd. (previously liberDi Ltd.) ("iRen")
Limaca Medical Ltd. ("Limaca")
Medulla Pro Pte. Ltd. ("Medulla")
MetoMotion Ltd. ("MetoMotion")
NasoTrak Medical Pte. Ltd. ("NasoTrak")
NICE Surgical Pte. Ltd. ("NICE")
OccuTrack Medical Solutions Pte. Ltd. ("OccuTrack")
Peptobiotics Ltd. ("Peptobiotics")
Phytolon Ltd. ("Phytolon")
PlanetWatchers Inc. ("PlanetWatchers")
PregnanTech Ltd. ("PregnanTech")
ProArc Medical Ltd. ("ProArc")
ProJini Agchem Ltd. ("ProJini")
Seger Surgical Ltd. ("Seger")
SetBone Medical Ltd. ("SetBone")
Solveat Ltd. ("Solveat")
Sol Chip Ltd. ("Sol Chip")
STeP Pte. Ltd. ("STeP")
STFix Ltd. ("STFix")
Stimatix G.I. Ltd. ("Stimatix")
S.T.S. Medical Ltd. ("ST Stent")
Szone Medical Pte. Ltd. ("Szone")
TendonPlus Medical Pte. Ltd. ("TendonPlus")
TierraSpec Ltd. ("TierraSpec")
Vensica Therapeutics Ltd. ("Vensica")
Vessi Medical Ltd. ("Vessi")
ViAqua Therapeutics Ltd. ("ViAqua")
VisageX Ltd. ("VisageX")
ZygoFix Ltd. ("ZygoFix")

CHAIR'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors and management, we are pleased to present our annual report for the year ended 31 December 2023.

2023 OVERVIEW

Worldwide, 2023 was mostly a difficult year as capital markets faced significant challenges from high interest rates, general reductions in venture investments with many venture firms not actively investing in 2023, especially in early-stage investing. In Israel, the outbreak of war following the Hamas attacks on 7 October 2023 further exacerbated the situation and has slowed progress for our Israel-based companies.

October 2023 was a month of many turns and changes. We completed all the tranches of the Proposed Subscription. We announced the retirement of founder and veteran Director Zeev Bronfeld. Haim Brosh, our CFO, took over the position of CEO with the retirement of Steve Rhodes and Todd Dollinger from the position that they shared for so many years. We extend our heartfelt gratitude to Steve, Todd, and Zeev for their hard work and unwavering commitment to the Company over the years.

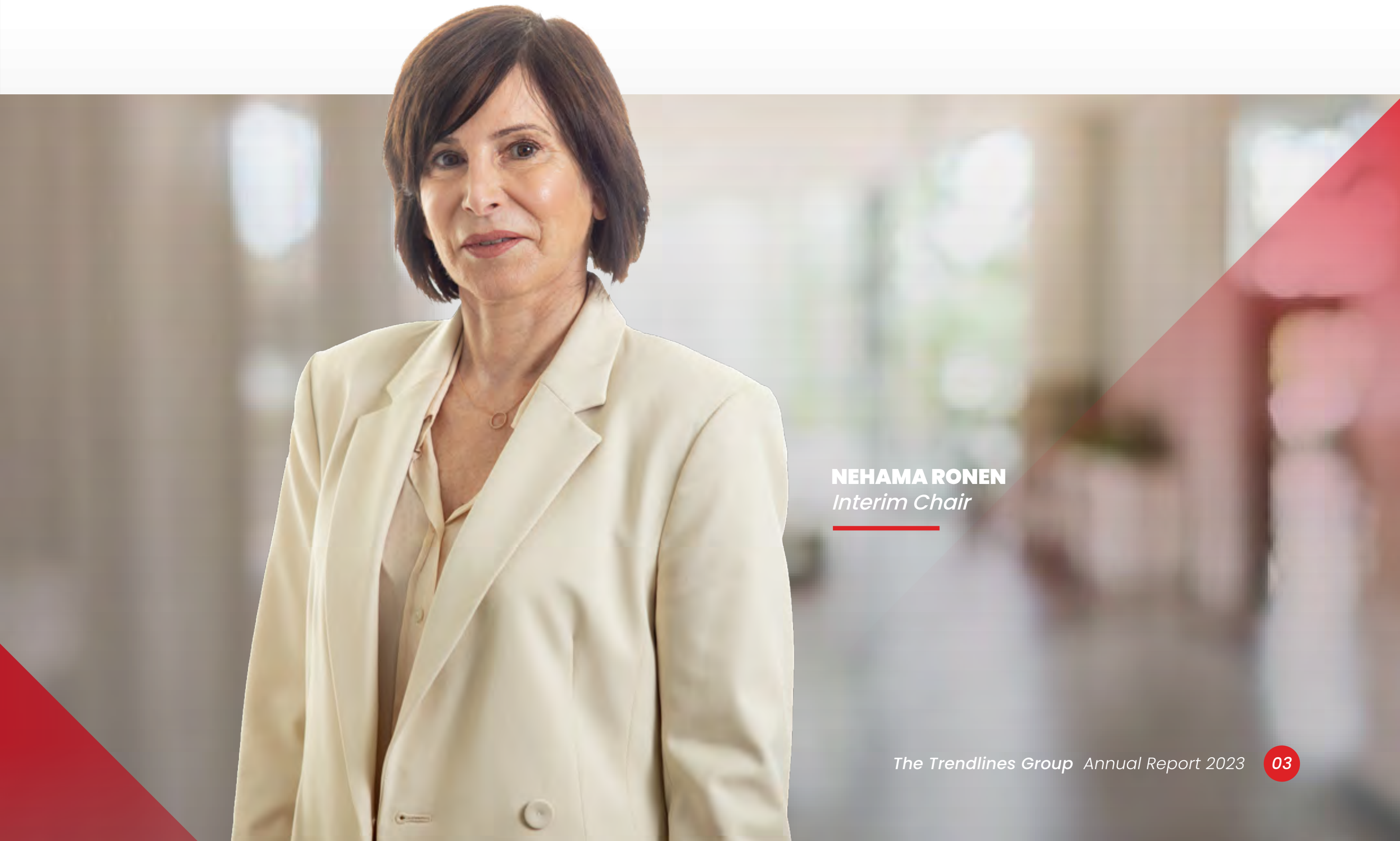
OUR FY2023 RESULTS

For FY2023, we reported a substantial loss resulting from numerous write offs of companies from our books, as well as several write-downs in company valuations.

The fair value of our portfolio decreased in FY2023 compared to FY2022, from US$89.8 million to US$66.4 million. This significant decrease was mainly attributed to 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 the write off of ten portfolio companies of approximately US$16.3 million as a result of a lack of funding.

Our total assets were approximately US$78.1 million as at 31 December 2023, compared to US$108.0 million as at 31 December 2022. Current assets were US$8.7 million as at 31 December 2023, compared to US$13.1 million as at 31 December 2022. Total cash, short and long-term deposits, and receivables stood at US$8.6 million at the end of FY2023, compared with US$15.2 million at the end of FY2022. NAV per share as at 31 December 2023[1] was US$0.07, S$0.09, or US$3.40 per ADR, compared to US$0.11, S$0.15, or US$5.50 per ADR as at 31 December 2022.

1. *Exchange rates were derived at the following rates of S$1.32 as at 31 December 2023 and S$1.35 as at 31 December 2022.*



NEHAMA RONEN
Interim Chair

CHAIRS' STATEMENT

Our net loss for FY2023 was US$34.7 million compared to a net loss of US$15.2 million for FY2022; this loss was substantially attributable to the write-downs and write-offs of a number of portfolio companies.

The Board of Directors is cognizant of their responsibilities to our shareholders and stakeholders. I have agreed to take on the responsibility of Interim Chair of the BOD during this time of transition and in the wake of difficult results and challenging times for the Company.

The BOD sees its responsibility in overseeing the deepening of the transformation plan that has been set in place to turn the Company's results around.

STRATEGIC TRANSFORMATION PLAN

In November 2022, we announced a strategic transformation plan. The plan outlined giving more attention to our advanced stage portfolio companies and helping those portfolio companies realize significant exits. In accordance with the transformation plan, our focus is wholly on developing our existing portfolio to maximize exit proceeds. As a result of this shift, we did not invest in new portfolio companies during FY2023.

The deepening of the plan has already been implemented in late 2023, moving forward into 2024, with changes in leadership and other structural changes in the Company, outlined in the new CEO's message in this report.

GOOD GOVERNANCE

We view good governance as a key pillar in the management, sustainability, and resilience of the Company. In November 2023, we were honored and proud to have been awarded the Most Transparent Company Award from the Securities Investors Association in Singapore. This award is a testament to our commitment to building trust and fostering accountability with all of our stakeholders – shareholders, portfolios companies, employees, and Limited Partners.

RESILIENCE DESPITE CHALLENGES

Despite a difficult year, we remain resilient and committed to building companies that will have a significant impact on people's lives and the planet; an impact that will grow and flourish through the years to come:

- ApiFix (exited in 2020) has dramatically improved the lives of hundreds of young scoliosis patients.
- OrthoSpin's (exited in 2021) trauma and deformity patients are recovering faster, better, and with less pain.
- AgroScout eliminates the use of thousands of liters of toxic pesticides.
- Arcuro brings game-changing technologies to orthopedics and sports medicine.
- PregnanTech may save the lives of millions of newborn babies.
- Escala brings a new treatment alternative to millions of women suffering from prolapse.
- Phytolon delivers a sustainable alternative for natural color production.
- Vessi Medical brings cryotherapy into the bladder to treat non-muscle invasive bladder cancer.

These are just a few examples of the impact that our companies make, a result of the amazing vision and hard work of the extraordinary entrepreneurs and employees of our portfolio companies. None of these companies would come to fruition without the hard work of their investors, the entire Trendlines team, and Trendlines' shareholders.

Inspiringly, the Israeli population has demonstrated remarkable resilience during this challenging period. The entire nation has rallied together, offering support and volunteering wherever necessary to ensure the smooth functioning of businesses, agriculture, and essential infrastructure.

We take great pride in the privilege granted to us of working with all of you. We thank our Board, management, and our deeply committed employees for their hard work. We thank our partners, investors, entrepreneurs, sponsors, shareholders, and the governments of the State of Israel and the Republic of Singapore, for their continued support and confidence in The Trendlines Group.

Nehama Ronen
Interim Chair

CHIEF EXECUTIVE OFFICER'S MESSAGE

DEAR SHAREHOLDERS,

Following a difficult year, resulting in a significant loss for 2023, Trendlines management has embarked on a transformative journey to maximize shareholder value, and bolster our future prospects.

This strategic plan, meticulously crafted in response to the company's current financial landscape and competitive dynamics, is based on three key pillars:

1. PRIORITIZATION OF MOST PROMISING PORTFOLIO COMPANIES

At the end of 2022, we stated that we would prioritize and channel our resources towards our most promising portfolio companies. Since then, we have built a process of deep due diligence of our portfolio companies. The results of this process have had a profound effect on our decision-making with regard to where we focus our resources. It entailed analyzing the exit strategy for each portfolio company in detail, defining what each company needs in order to reach that potential, and how long the process would take. This detailed approach prioritized which companies are the primary beneficiaries of Trendlines' investment and support, empowering them to accelerate their growth trajectory and maximizing their exit value.

2. STREAMLINING NON-CORE ACTIVITIES

Trendlines Innovation Labs was founded with two objectives: firstly, to partner with multinational companies as an "innovation team" inventing and developing products and technologies while providing Trendlines with a source of revenue through such collaboration projects. Secondly, to develop and spin-off start-up companies for investment and development by Trendlines. The first objective did not provide the expected revenues but did provide us with very valuable relationships with multinational companies in our investment sectors. Our decision to halt investments in new portfolio companies has rendered the second objective redundant. Consequently, in our efforts to streamline our operations, we intend to shed certain non-core activities that are not aligned with our core competencies and strategic focus.

3. COST OPTIMIZATION AND EFFICIENCY ENHANCEMENT:

Trendlines has implemented a comprehensive cost optimization program aimed at reducing expenses and enhancing operational efficiency. This plan encompasses a reduction in the Company's headcount from 39 to 24 employees, renegotiation of supplier contracts, and streamlining of our administrative processes. This program is in line with the above strategic decisions and is expected to contribute positively to our operational expenses in the coming years.

EXPLORATION OF NEW INVESTMENT OPPORTUNITIES FOR THE LONG TERM

In recognition of the fact that we have not been able to distribute dividends or a return on investment for our shareholders thus far, we see this as a key aim in the coming years. In 2021, we announced a dividend policy, and we stand by our commitment to work towards this goal as one of the main drivers of our strategy in the coming years.

Looking ahead, as we strengthen our balance sheet and profitability, and exit funds are distributed to the shareholders of the company, according to the dividend policy, we will be able to explore investment opportunities in areas where the company has high added value based on the experience gained and the connections created over the years. Our aim will be to focus on ventures that align with Trendlines' core competencies, leveraging our expertise and network to ensure viable returns within relatively short periods of time.

I would like to thank the Board of Directors for the confidence they have demonstrated in my appointment as CEO. I join Nehama in extending a big thank you to Steve and Todd for their support and immense contributions to the company over the years. I am also indebted to the hard work and dedication of Trendlines' management team and employees, to the unwavering support of our investors and shareholders, our entrepreneurs, and our partners.

HAIM BROSH
Chief Executive Officer

CORPORATE PROFILE

The Trendlines Group invests in medtech and agrifood technology companies in Israel and Singapore in accordance with our mission of investing to improve the human condition.

We invest in, support, and build our portfolio companies throughout their entire life cycle.

As truly hands-on investors, we provide our portfolio companies with intensive support. Aside from the starting investment, the support provided includes technology development, business development, marketing, financial and commercialization strategies, and more.

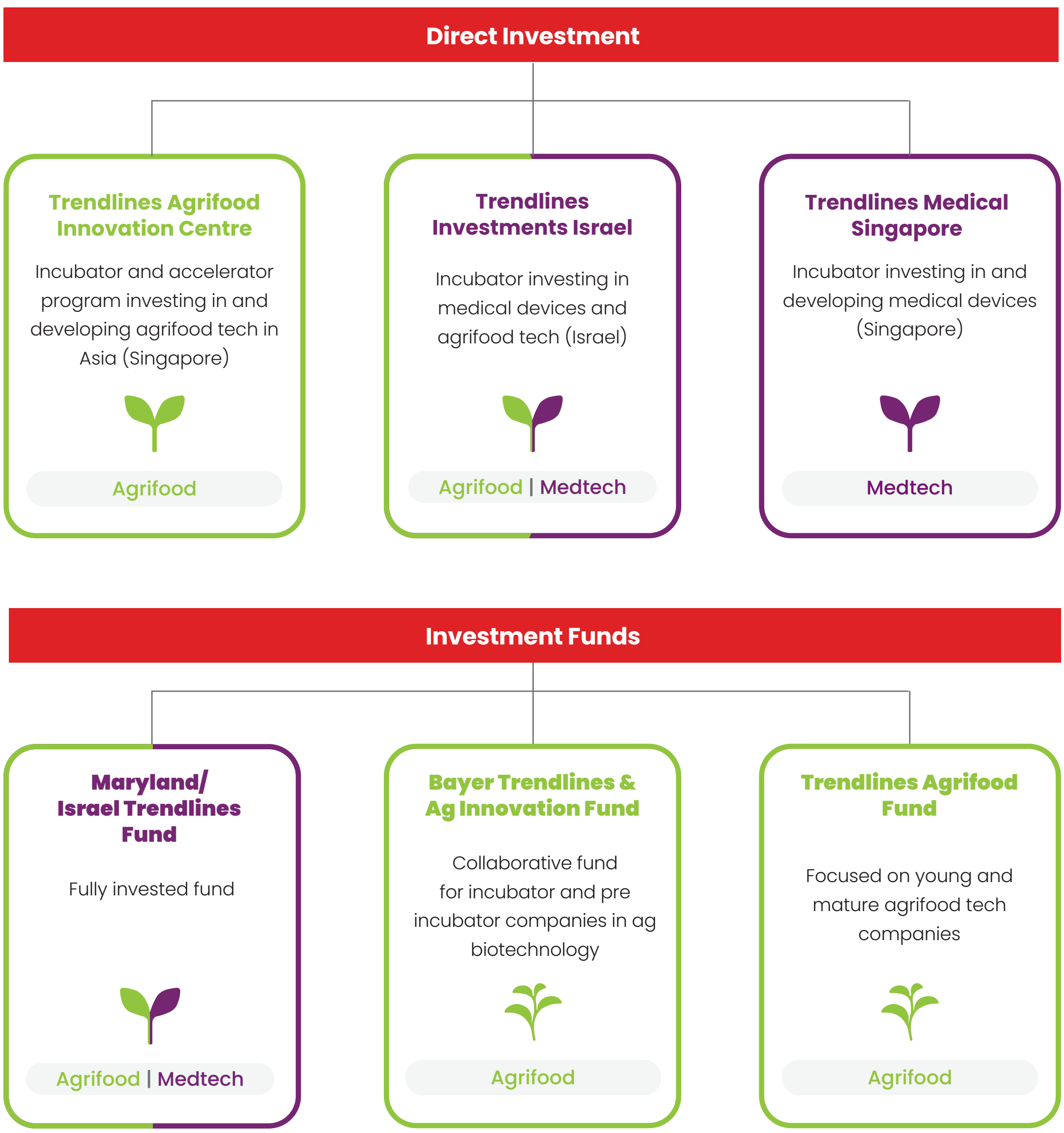
Our early-stage portfolio companies typically work from our facilities in Israel or Singapore during their first years — and often for much longer. For our start-ups, often with only a few employees, we are an invaluable resource-rich environment.

Through direct investment and through our investment funds, we invest in the companies that we have founded and in select later-stage companies.

The Group's cooperation models include joint ventures, partnerships, co-investment, and the formation of strategic alliances around the world.

OUR LIFE CYCLE FUNDING APPROACH

Our varied investment vehicles support the entire life cycle of our portfolio companies, from establishment to exit.



TRENDLINES' TOP 10 CORPORATE MILESTONES

2023

- **Provided more transparency of portfolio valuations.**
- **Announced management changes.**

2022

Announced strategic transformation plan to shift focus to existing portfolio companies.

2021

Portfolio company OrthoSpin acquired by Synthes GmbH (part of DePuy Synthes, the orthopedics company of Johnson & Johnson).

2020

Portfolio company ApiFix acquired by Nasdaq-traded OrthoPediatrics Inc.

2019

Established Singapore-based Trendlines Agrifood Innovation Centre to leverage technological and scientific knowledge in Singapore and the region.

Established Singapore-based Trendlines Agrifood Fund to invest in innovation-based agrifood tech start-ups in Singapore and in later-stage agrifood tech companies around the world.

2017

Launched first investment vehicle outside of Israel, Trendlines Medical Singapore, in partnership with B. Braun and PrimePartners Holdings, with the support of Enterprise Singapore.

2016

Established Israel-based Bayer Trendlines Ag Innovation Fund with Bayer Crop Science to invest in the early-stage agrifood tech portfolio companies of the Group.

2015

IPO on the Singapore Securities Exchange

2012

Held the inaugural AgriVest conference which has grown from a small esoteric conference to one of the leading agtech conferences worldwide.

2011

Established Trendlines Innovation Labs to invent and develop technologies to address unmet market needs for The Trendlines Group, and in collaboration with global companies in further support of our mission of investing to improve the human condition.

2007

Acquired an Israeli technology incubator and focused it on developing medical devices and technologies to improve patient outcomes and reduce healthcare costs (Trendlines Medical); concurrently, acquired a second technology incubator in Israel, later focusing on agrifood investments.

See also the Group Structure on pages 48 to 50 for complete details.

PORTFOLIO CLUSTER VALUES

Please see important explanations at the end of this table.

Cluster	Fair Value of Trendlines' Share	Non-IFRS Fair Value of Trendlines' Share (additional information)*	Fair Value of Trendlines' Share	Non-IFRS Fair Value of Trendlines' Share (additional information)*
	U.S. dollars in thousands			
	31 Dec 2023		**31 Dec 2022**	
Aquaculture & Animal Health Technology plays a vital role in this industry, both in terms of production and animal health allowing farmers to optimize systems for water, feed, health, and growth of animals. According to the US government, aquaculture is one of the fastest growing forms of food production in the world, and there is increasing demand, driven by concerns about climate change, for better methods of animal husbandry.	US$ 2,543	US$ 3,316	US$ 5,038	US$ 8,376
Crop Protection The demand for more sustainable, safer, and cleaner farming methods is coming from consumers, environmentalists, regulators and even the agrochemical industry itself. Trendlines' aim is to develop precise biological or chemical pesticides that are not harmful to people or the environment.	US$ 6,089	US$ 9,778	US$ 6,439	US$ 9,633
Future Food & Ingredients As concern for the environment and animal welfare grows, there is an increasing demand for alternatives to animal-based products and food products with high carbon footprints. Alternatives include plant-based protein alternatives, cell-cultured foods, and edible insects. With the growing awareness of the link between nutrition and health, there is a trend towards functional ingredients that offer specific health benefits.	US$ 10,451	US$ 14,225	US$ 10,926	US$ 18,729
Digitization & Robotics Digitization and robotics are playing an increasingly important role in agriculture, as they allow for more efficient management of crops and livestock. Digitization technologies use data from sensors, drones, and other digital tools to track the health and growth of crops and improve supply chain traceability and transparency. Robotics and automation play an increasingly important role in agricultural tasks.	US$ 3,971	US$ 7,425	US$ 7,979	US$ 16,294
Net-Zero Technologies Agriculture and food production are one of the largest contributors to climate change. While all our agrifood companies increase the sustainability of food production, the companies in this cluster are not focused on growing or food production, per se, but rather on providing platform technologies that will reduce the carbon footprint of the sector.	US$ 4,362	US$ 6,039	US$ 4,134	US$ 4,815
Cardiology, Neurology & Anesthesia Technology plays a crucial role in cardiology, neurology, and anesthesia, allowing for the better treatment of heart and neurological conditions, as well as safe and effective management of pain and sedation during these procedures.	US$ 3,012	US$ 3,857	US$ 4,301	US$ 6,495
Esthetics Medical esthetics focuses on enhancing a person's function and esthetics through medical and surgical procedures. Esthetic interventions include scar revisions, reconstructive surgery, and trauma repairs.	US$ 1,991	US$ 5,024	US$ 1,820	US$ 1,963
Gastroenterology Gastroenterology deals with the digestive system and its disorders; interventional gastroenterology additionally accesses other organs through the GI tract. Innovations are being developed by our companies to improve diagnosis, treatment, and quality of life relative to gastrointestinal and interventional gastroenterology procedures.	US$ 7,458	US$ 7,941	US$ 15,081	US$ 15,320

PORTFOLIO CLUSTER VALUES

Home Healthcare Home healthcare is a growing part of the healthcare ecosystem due to our growing and aging population, and pressure to reduce costs; the COVID pandemic added a third driver to this rapidly growing sector. Medical and support services provided in our own homes allow us to recover faster from illness or injury, manage chronic conditions, maintain independence, and improve our quality of life.	US$ 1,853	US$ 10,687	US$ 6,138	US$ 13,074
Spine & Orthopedics Innovation in spine and orthopedics is an active area for innovation and development at Trendlines with new technologies and treatments being developed to improve patient outcomes, reduce recovery times, improve quality of life, and reduce costs associated with these treatments. Our last two exits were both companies from this cluster.	US$ 8,402	US$ 12,402	US$ 10,462	US$ 14,261
Surgery Faster often means better for patients and surgeons and ease of access through converting open surgical procedures to minimally invasive procedures saves time and money while improving outcomes. Trendlines' work in the field includes helping to move surgical procedures from the traditional hospital environment to ambulatory surgical centers and doctors' offices.	US$1,379	US$ 1,995	US$ 6,319	US$ 10,133
Urology & Women's Health Minimally invasive procedures, cryotherapy, and ultrasound technologies are some of the technologies innovating pelvic health – matters of the bladder, bowels, and reproductive organs. Trendlines' focus on pelvic health therapies is critical for social, mental, and sexual wellbeing.	US$14,897	US$ 27,690	US$ 11,142	US$ 27,506
TOTAL	**US$ 66,409**	**US$ 110,410**	**US$ 89,777**	**US$ 145,599**

***Notes and Disclaimer:**

- The additional information (Non-IFRS value) which, as stated, differs from the IFRS fair value at which we carry these investments on our balance sheet, were calculated on the basis of recent portfolio company transactions (last 12 months), as follows:

1. In cases where the last transaction was through a Share Purchase Agreement (SPA) transaction, our holdings were calculated based on the Pre-Money basis of the transaction, multiplied by the percentage of our holdings. Differences between preferred shares and ordinary shares were not taken into account, including regarding rights of the round which may include preferences (receiving money before others), anti-dilution clauses, etc. Some of these investments were made by shareholders who have an interest in the valuation of the portfolio company and such interests may differ from those of non-related parties, or even from our interests.
2. In cases where the last transaction was through a Simple Agreement for Future Equity (SAFE)[1] transaction or Convertible Loan Agreement (CLA) transaction, our holdings were calculated on the basis of the pre-defined valuation CAP in the transaction, multiplied by the percentage of our holdings in the company (before conversion of the SAFE or the CLA to equity). A valuation cap may entitle investors to equity priced at the lower of the valuation cap or the pre-money valuation in a subsequent financing. The valuation cap sets the maximum price at which the convertible security will convert into equity. It is noted that SAFE or CLA transactions usually include a discount to the later round of financing. Discounts typically range from 20–30% and may render a valuation cap irrelevant. We also did not relate to the question as to whether the SAFE has a conversion at the end of a certain period with or without a discount and to what type of shares the SAFE is converted.

In all other cases, we used generally accepted valuation methods in accordance with IFRS rules, whether cost method, market approach, etc.

- With respect to all types of transactions detailed above (SPA, SAFE, CLA), we did not take into account whether the investment was made with current investors alone or was led by them or by a new investor.
- Non-IFRS values have not been subject to audit or review by our external auditor and should be used cautiously as an indication of value.
- The Non-IFRS values are intended to provide additional information and should not be considered in isolation or as a substitute for measures of valuation prepared in accordance with IFRS.
- The information contained here does not constitute, nor shall not be deemed to constitute, an offer, invitation, or inducement to invest or otherwise deal in our shares.
- The information contained here should be read in conjunction with our financial statements, annual report, and other announcements.
- Should you be contemplating investments, we urge you to take independent legal, financial, taxation, and other professional advice.

[1] A SAFE is an agreement between an investor and a company that provides rights to the investor for future equity in the company; it is similar to a warrant, except without determining a specific price per share at the time of the initial investment. The SAFE investor receives shares when a priced round of investment, or other circumstance, or liquidity event occurs. Accordingly, a SAFE does not set a transaction-relevant valuation for the portfolio company and the valuation will be determined at the date of conversion into equity.

THANKS AND APPRECIATION

Friends –

A letter of this sort would be easy to write in better times; a simple letter of thanks and appreciation reflecting on the first 17 years of the Trendlines Group adventure – building great companies, working with brilliant founders, engaging with committed investors, and finding success for many along the way. Unfortunately, the past year has been anything but simple or ordinary, and this makes it challenging for us to appropriately express our gratitude on the one hand and our great optimism for the future on the other; but, even through the prism of today's challenges in Israel and abroad, we see great things ahead.

2023 was, without a doubt, the most difficult year that we have experienced since we established The Trendlines Group in 2007. Political upheaval, a difficult macro-economic environment, a murderous terror attack and the ensuing war – all combined to make 2023 the most difficult year for startups that we have ever experienced. Investment worldwide greatly slowed last year, after two very strong years, and it was the youngest companies that found capital acquisition the most challenging.

Despite this, we continue to be optimistic. Trendlines has built a portfolio of exciting companies that, although faced with meaningful challenges past, present, and future, have the potential to change lives in pursuit of our mission of investing to improve the human condition and to do this while creating significant value for shareholders. The resilience of our entrepreneurs and staff should never be underestimated; they are committed to building amazing companies and improving lives, irrespective of the obstacles that life has placed in our way.

Although we have stepped down from our board and management positions in the Company, our association with The Trendlines Group continues through doing what we like best – working with our portfolio companies to help them achieve success in support of our mission.

We leave the management of Trendlines in good hands. Haim Brosh, our old friend, and new CEO, knows the Company in every detail, having spent the last 10 years working with us, side by side, as a hands-on CFO. Haim brings a level of commitment, enthusiasm, and energy to the job which is infectious and which we are certain will lead to even greater things. We will continue to work with Haim and the Company's managers, Nitza Kardish, Barak Singer, and Eric Loh. We join all of you in wishing Haim and the whole Trendlines team much success; their success will be our success, too.

We wish to thank the Company's outstanding Board of Directors for their years of support and for their vision. Trendlines has an unusually strong and diverse board, and every one of or our directors has made, and continues to make, valuable contributions to the Company from Singapore and Israel.

And, thanks to our shareholders for their remarkable support over the years. The journey is long, and the Company is well-positioned today to achieve amazing things through the years ahead. We have made many good friends in Singapore and around the world. We are grateful for your support, friendship, good thoughts, and encouragement.

We have been working together since we met during the 1991 Gulf War – 33 years ago – when we met at an early-stage medical device company, raising money, developing product, and bringing the company to market. This is the sort of work that we love and that we are focused on again as we turn our focus for Trendlines to the portfolio, and as we continue our journey with Trendlines in our new positions as the Company's founders and chairs emeriti.

Our thanks to all, and our very best wishes for an incredibly successful 2024 and beyond. We'll be there with you.

Sincerely,
Steve Rhodes and Todd Dollinger
Founders and Chairs Emeriti

Resilience

"The Israeli people are the most resilient people on earth."
- Intel CEO, Patrick Gelsinger

The 7 October 2023 terrorist attack in Israel deeply impacted us, given the country's small size. Our sincere condolences to all affected families—those who lost loved ones, have family members held hostage, suffered injuries, or lost homes. We fervently pray for the safe return of our soldiers defending the country and for the return of all the hostages.

In the spirit of Israeli resilience, Trendlines and our portfolio companies, despite some team members called up to military reserves, continued to progress. Alongside our daily work, we are actively involved in volunteering and supporting efforts, as part of our commitment to aiding the community.

FINANCIAL HIGHLIGHTS STATEMENT AND REVIEW

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The comparative performance for the assets, liabilities, and equity are based on the Group's financial statements as at 31 December 2023 and 31 December 2022.

Total assets decreased by approximately 27.71% from US$108.0 million as at 31 December 2022 to US$78.1 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 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.

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.

ACCOUNTS AND OTHER RECEIVABLES AND CONTINGENT CONSIDERATION RECEIVABLE

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

The Group recorded net cash used in operating activities of US$6.3 million in FY2023 and net cash provided by financing activities of US$5.9 million in FY2023.

LONG-TERM LIABILITIES

Our long-term liabilities amounted to approximately US$4.1 million as at 31 December 2023, a decrease of 21.75% as compared to 31 December 2022. Our long-term liabilities represented approximately 45.71% of our total liabilities as at 31 December 2023.

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 IIA

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.

CURRENT LIABILITIES

Our current liabilities decreased by approximately US$1.9 million from approximately US$6.8 million as at 31 December 2022 to approximately US$4.9 million as at 31 December 2023.

FINANCIAL HIGHLIGHTS STATEMENT AND REVIEW

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

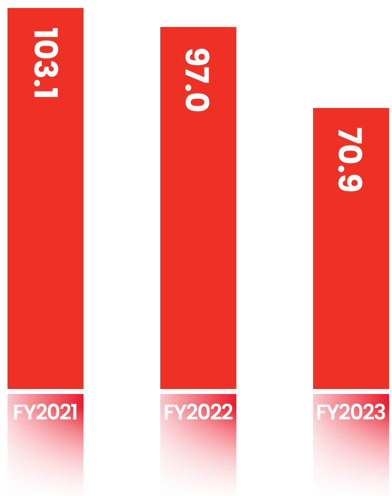
A decrease of US$1.8 million in the short-term deferred revenue was mainly due to a lower number of Portfolio Companies, as at 31 December 2023, that have deferred revenues to be recognized in the 1st to 12th month period, as compared to that as at 31 December 2022.

EQUITY

As at 31 December 2023, equity attributable to equity holders of the Company amounted to approximately US$70.9 million.

TOTAL EQUITY

(US$,000)



INCOME

Total income decreased by approximately US$23.3 million from a gain of US$2.4 million in FY2022 to an loss of approximately US$20.9 million in FY2023.

GAIN FROM CHANGE IN FAIR VALUE OF INVESTMENTS IN PORTFOLIO COMPANIES

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.

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.

OPERATING, GENERAL, AND ADMINISTRATIVE EXPENSES

Operating, general and administrative expenses decreased by approximately US$1.8 million or 15.40%. 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$4.2 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.

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 HIGHLIGHTS STATEMENT AND REVIEW

INCOME (LOSS) BEFORE INCOME TAXES (TAX BENEFIT)

In view of the above, loss before tax benefit in FY2023 was approximately US$34.7 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.

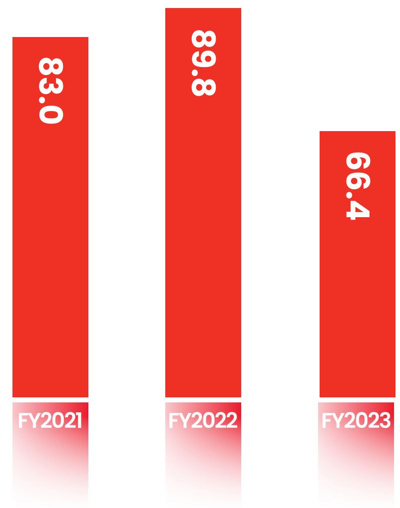
CONSOLIDATED STATEMENT OF CASH FLOW

Net cash used in operating activities of US$6.3 million in FY2023 was mainly due to a net loss of US$34.7 million and adjustments for non-cash items such as (i) loss from changes in fair value of investments in Portfolio Companies of approximately US$27.0 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$3.7 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.

FAIR VALUE OF PORTFOLIO COMPANIES

(US$,000)



FINANCIAL SUMMARY (US$,000)

	FY2021	FY2022	FY2023
Total portfolio value	83.0	89.8	66.4
Total income/(loss)	16,122	2,374	(20,927)
Total expenses	13,477	19,693	13,794
Income/(loss) before income taxes	2,645	(17,319)	(34,721)
Income tax (expense)	3,355	2,156	-
Net income/(loss)	6,000	(15,163)	(34,721)

Radi Aly from Celleste Bio in the laboratory at Trendlines Israel.

See also the Chair's Statement and CEO's Message chapters in this Annual Report, and the News section of the Trendlines' website (www.trendlines.com/news).

The Trendlines Group focuses on investing in and developing groundbreaking companies in the fields of medtech and agrifood technology.

With extensive experience in medtech and agrifood technology investments, we have established our reputation as leaders in life science investment. This recognition empowers us to partner with international funds and multinational organizations in the medtech and agrifood sectors, investing alongside us in our portfolio companies, and acquiring our companies.

CORPORATE

2023 was a difficult year for capital markets worldwide. High interest rates and other factors had a significant negative effect on capital availability. This was compounded by the judicial overhaul effort in Israel which caused political instability, contributing uncertainty and investor reticence to capital commitments. The 7 October 2023 terrorist attack on Israel further harmed the investment environment in Israel. The combined international issues and Israel issues lead to a substantial decrease in investments and investments at lower valuations for our Israel-based companies.

Despite this, our portfolio companies (excluding portfolio companies of the managed venture funds) raised over US$21 million during the year. Multiple medtech companies received FDA clearance and several companies executed collaboration agreements with global companies.

Together with our controlling shareholder, we continue to participate in and support the financing of select portfolio companies. In addition, many of our portfolio companies received financial support in the form of non-dilutive Israeli, Singaporean, and European government grants.

We are proud to have been awarded the Most Transparent Company Award for 2023 from the Securities Investors Association (Singapore), demonstrating the success of our commitment to providing our shareholders with a complete and accurate picture of developments within the Group.

Following announcement of our strategic transformation plan In November 2022, we shifted our focus from investing in new companies to developing our maturing portfolio to maximize exit proceeds. From 2023 we have suspended investments in new companies, fully focusing our staff and capital resources on developing our existing portfolio companies for exit. In accordance with the new strategy, we reorganized operating activities and reduced staff.

In the third quarter, we announced important management changes: Steve Rhodes and Todd Dollinger stepped down as co-CEOs with Haim Brosh replacing them as CEO. Zeev Bronfeld, a founding board member, retired as a director of the Company. Nehama Ronen, a Director of the Company, replaced Steve Rhodes and Todd Dollinger as Board Chair on 8 March 2024.

BUSINESS REVIEW

TEAM

Trendlines' employees in Israel and Singapore provide intense support for our portfolio companies in technology and business development, R&D, finance, marketing communications, and administration.

For additional information, see the Senior Management chapter in this Annual Report and the Our Team page on the Trendlines' website - https://www.trendlines.com/team. For a breakdown of the team's diversity metrics, see the Sustainability Report Chapter in this Annual Report.

TRENDLINES INVESTMENTS ISRAEL

2023 brought a slowdown in the global financial investment environment, which was further exacerbated in Israel due to political uncertainty. Trendlines implemented its plan to freeze new investments and focus on its current portfolio. The Hamas terrorist organization assault on Israel on 7 October 2023 and the ongoing conflict, made it even more difficult for our portfolio companies in Israel to raise money, and challenges emerged on operations and capital raises for portfolio companies that had their CEOs and staff drafted into army reserve duty. This impacted portfolio companies in different ways, ranging from delays in conducting clinical trials, supply chain matters, overseas travel, and some portfolio companies were compelled to evacuate from their premises and had to find alternative safe workspaces. Despite this, many of our portfolio companies raised capital and reached meaningful business milestones including commercialization, regulatory clearance, and clinical/field studies. We are deeply proud of our portfolio companies' commitments to progress and success in these difficult times.

Notable progress includes financing by ViAqua Therapeutics that raised US$8.25 million, led by S2G Ventures, to scale its RNA-based solution for aquaculture. Phytolon raised US$14.5 million in 2022 and increased the round in 2023 with additional funding by Nextgen Nutrition Investment Partners, supported by Dunedain Ventures, to commercialize its fermentation-based natural food colors; Escala Medical announcing its selection as a recipient of a €5.5 million grant and equity investment from the European Innovation Council; EcoPhage receiving grants from SIIRD, in partnership with food industry giant Dole, and from the IIA; IBI-Ag and MetoMotion both receiving IIA grants.

Portfolio companies receiving FDA clearance during 2023:

- Escala, clearance for second-generation pelvic organ prolapse repair device;
- Limaca for its Precision-GI endoscopic biopsy device;
- Omeq, for its smart device for epidural injections; and
- ElastiMed for its smart compression stocking.

In 2023:

Nine medtech companies began or continued clinical studies: PregnanTech, Limaca, ZygoFix, ElastiMed, CoreBone, Vessi, Ceretrieve, Vensica, and ProArc.

Three agrifood companies are conducting ongoing field studies: AlgaHealth, EcoPhage and IBI-Ag.

Four agrifood companies announced new strategic collaboration agreements: AlgaHealth with Huons Foodience Co. Ltd., BioFishency with Utex, IBI-AG with NuPharm, and EcoPhage with Dole.

Nitza Kardish, PhD participated in a panel at the Asia-Pacific Agri-Food Innovation Summit.

Anton Wibowo, Keith Loo and Rachel Ong from Trendlines Agrifood Innovation Centre at the FTIC FoodTech Startup Challenge co-organized with Nurasa and A*STAR - Agency for Science, Technology and Research and A*STAR Singapore Institute of Food and Biotechnology Innovation (SIFBI).

TRENDLINES MEDICAL SINGAPORE

Trendlines Medical Singapore was established in 2016 to establish, incubate and commercialize of healthcare innovations. The incubator is supported by the government of Singapore and actively collaborates with local research institutions, hospitals, and multinational medical companies.

All of our Trendlines Medical Singapore portfolio companies are currently consolidated into our financial statements; accordingly, they have not been subject to independent valuations and do not appear in our financial statements as investments in portfolio companies.

During 2023, three Singapore companies progressed with clinical studies and two companies prepared for FDA submission in 2024.

In 2023, Ayzer Sense, Medulla Pro, and Nasotrak closed Series A funding rounds with investors, including SEEDS Capital.

TRENDLINES AGRIFOOD FUND AND TRENDLINES AGRIFOOD INNOVATION CENTRE (AFIC)

INVESTMENTS

In 2023, the Agrifood Fund strategically consolidated its efforts and dedicated more resources to assist portfolio companies in attaining their milestones.

In January 2023, the Agrifood Fund led a follow-on investment in its portfolio company AgriG8 as it began pilot trials across Southeast Asia to onboard farmers to its platform to incentivize adoption of sustainable rice farming practices with affordable loans.

In April 2023, the Agrifood Fund led a funding round of S$1.4 million in Insectta, with participation from three other investors. Insectta is poised for continued growth and expansion, solidifying its position as the leader in sustainable extraction of biomaterials from insect sources.

In October 2023, the Agrifood Fund participated in an oversubscribed follow-on investment round in its portfolio company Peptobiotics. The funds will be used to establish commercial production of novel peptide products as antibiotic replacements for the shrimp industry, significantly increasing the commercial footprint of the company. Peptobiotics is expected to generate initial revenues in 2024.

SINGAPORE ACCELERATOR PROGRAMS

Our accelerator program continues to be fertile ground for consistent flow of top-tier investment opportunities as we prime high potential start-ups for success. This year, AFIC expanded its commitment to fostering early-stage agrifood start-ups and organized three accelerator programs that saw the participation of over 30 local and global start-ups. In this series of programs, AFIC implemented dedicated curricula for specific agrifood verticals and brought in strategic partners for more tailored resources to address the nuanced challenges that exist within each domain.

PORTFOLIO COMPANY ACTIVITIES

Insectta announced the opening of its new insect biomaterial extraction pilot plant in late November 2023, marking the beginning of commercial production of its patented Black Soldier Fly chitosan and melanin. This marks a significant milestone for the insect industry as the Insectta team has achieved another world's first – the ability to extract water soluble melanin in unprecedented quantities. The pilot facility will allow Insectta to increase its production capacity by 30 times and begin commercial sales in 2024.

BUSINESS REVIEW

November 2023

Insectta announced grand opening of insect biomaterial extraction pilot plant in Singapore.

September 2023

Barak Singer accompanied portfolio company CEOs of STFix, ProArc and Ceretrieve presenting at the LSI Europe Emerging Medtech Summit.

September 2023

Todd and Eddy attended 2023 the Pujiang Forum where Todd gave a keynote address.

August 2023

China's Ambassador to Israel, CAI Run and his delegation visited our headquarters in Israel and met with portfolio company SOLVEAT.

July 2023

Meeting with portfolio company CEOs and team members to learn about using Artificial Intelligence tools.

May 2023

Kick-off 3i Accelerator Program with founders of four participating startups accompanied by the AFIC team.

April 2023

Steve Rhodes and Sarai Kemp together with the AlgaHealth team, Eran Itzkovitz and Oran Ayalon signed a collaboration agreement with South Korean company Huons Foodience.

February 2023

Nitza Kardish participated in a panel discussion at the OurCrowd Summit.

INVESTOR RELATIONS

Trendlines is strongly dedicated to transparently sharing comprehensive and timely material information, offering insights into the challenges and performance of our Company for both shareholders and the broader investor community. We not only fully comply with all legal and regulatory requirements but also surpass these standards by expanding the scope and depth of information about our activities and portfolio companies. The recognition of receiving the Most Transparent Company Award from the Securities Investors Association in Singapore in 2023 acknowledges our commitment to providing extensive information to our shareholders.

We communicate significant corporate developments about the Group and our portfolio companies in a factual and clear manner through various channels, including:

- Regular provision of monthly updates on Company and portfolio developments.
- Disseminating annual reports, semi-annual financial reports, and progress reports.
- Releasing announcements via SGXNet and OTCQX.
- Maintaining a comprehensive website with investor information, details about The Trendlines Group, individual portfolio company information, and updated news/ announcements.
- Hosting virtual business updates in Q1 and Q3, where we present updates and address questions from our shareholders.
- Issuing regular press releases as necessary.
- Conducting interviews with reporters and analysts from the financial and general press.
- Publishing investor presentations on SGXNet and our website.
- Meeting with shareholders and analysts for activity reviews and Q&A sessions.
- Distribution of our corporate newsletter, the Trendletter.

Our frequent and active communication efforts enable stakeholders to stay informed of our developments and gain a thorough understanding of our business. In addition to digital communications, we conduct AGMs and SGMs, along with individual meetings with shareholders and the wider investment community.

In August 2023, we conducted the H1 2023 earnings call, discussing results, presenting financial and business highlights, and addressing current developments. Public participation was encouraged through the submission of questions ahead of time and during the meeting, emphasizing our commitment to assisting shareholders and potential investors in making informed decisions.

Keith Loo and Eric Loh receiving the Most Transparent Company Award, on behalf of Trendlines, from the Securities Investors Association in Singapore in 2023.

INVESTOR RELATIONS

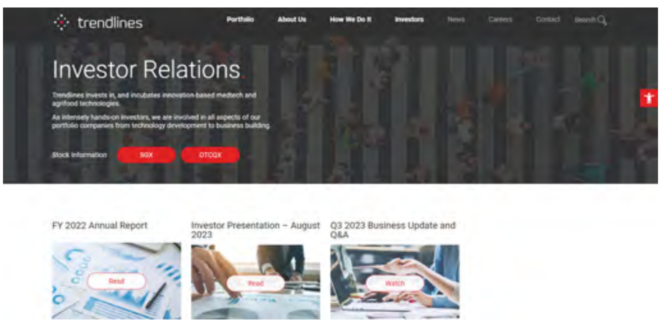
2023 INVESTOR RELATIONS

Our AGM and SGMs continued to be held electronically in 2023, along with virtual meetings via videoconference to update investors and shareholders on our H1 2023 financial results.

Following the October 7 attack on Israel and the subsequent state of war, we provided updates to shareholders on the situation, its effects on us, and the plans we were implementing to cope with the unfolding of events and the uncertainties.

On November 14, 2023, we held an additional virtual meeting to provide business updates for investors and shareholders. Participants joined the virtual meeting through electronic means, engaging in a question and answer interaction with our Management team, including receiving updates on the impact of the war.

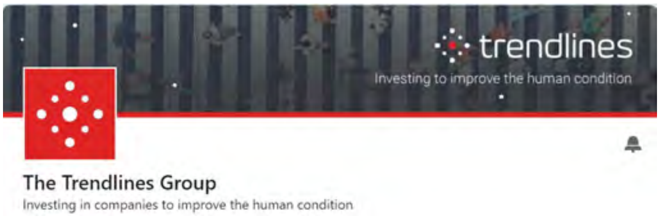
Our monthly investor-focused updates consolidate key announcements and business developments in a single document. We also regularly publish updated investor presentations. All these events/announcements are accessible on SGXNet, OTCQX, and the Investors section of the Trendlines website: https://www.trendlines.com/investor-relations/.



A DEDICATION TO MULTICHANNEL COMMUNICATION

The Investors section of our website offers shareholders and potential investors convenient access to announcements, presentations, financial information, and annual reports. Subscribing to our alerts is encouraged for monthly investor-focused updates, announcements, filings, and other news.

Contact details for investor-related inquiries are available on our website at https://www.trendlines.com/investor-relations/.



Our corporate website (www.trendlines.com) provides a comprehensive overview, including information about our investment approach, portfolio companies, their achievements, and our team. The News section covers media items related to Trendlines and our portfolio companies.

The Trendletter, our corporate newsletter, is distributed globally, sharing information about our organization and portfolio companies, as well as events we organize or attend and news items featuring the Group or our portfolio companies. Visitors can sign up for the Trendletter using the subscription form at the bottom of the homepage (www.trendlines.com) and can unsubscribe at any time.

Through our presence on social media platforms such as LinkedIn, Facebook, and X (screenshot on the right), we consistently share corporate and industry-related news to engage with our global audience.

For 2024, our investor relations strategy remains focused on increasing awareness of our business model, general business strategy, and the progress and milestones achieved by our portfolio companies.

EVENTS

Recognizing the benefits and importance of face-to-face meetings and events with investors and partners, we hope to conduct more physical meetings in 2024.

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors of The Trendlines Group ("**Trendlines**" or the "**Company**") is pleased to present our sustainability report for the year ended December 31, 2023, demonstrating our governance and management approach to sustainable growth and investment. The Board oversees material ESG factors and their management, including stakeholder engagement, issue identification, and monitoring.

At Trendlines, we integrate ESG factors into our investment screening and portfolio building. The Board and Management actively address sustainability issues as an organization, as an investor, and in our ongoing engagement with our portfolio companies, partners, and stakeholders.

In 2023, global challenges such as inflation, geopolitical tensions, and rising interest rates affected our portfolio companies' fundraising efforts and budget management, as was felt by many companies worldwide. We made special efforts to find ways to support our portfolio companies during these times, reviewing funding needs and making creative ways to extend budget runways.

Our investments in the medtech and agrifood industry tackle global challenges in agriculture, food, and healthcare. These sectors are vital and growing worldwide. The Group is committed to funding our portfolio companies appropriately and assisting them in developing appropriate business strategies and growth trajectories.

Despite the economic recovery following the pandemic, in 2023 global economic growth slowed amidst high inflation and rising interest rates. The world tech and start-up sector suffered the uncertainty of the markets affecting investor behavior and sentiment. Israel was more intensely affected due to political uncertainties throughout the year, and the events following the 7 October terrorist attack on Israel with the ensuing war have further intensified the challenges of start-up companies and the Israeli ecosystem as a whole.

From 8 October 2023 onwards, Trendlines immediately assessed the effects of an impending war on employees and portfolio companies. We continue to work closely and monitor both employees and portfolio companies' needs on an ongoing basis, with support wherever possible through these unpredictable times. We see this as an essential element of our business resiliency that facilitates our ability to navigate and respond to unexpected crises.

ABOUT THIS REPORT

SCOPE AND APPROACH

This report shares our annual update on sustainability initiatives and performance covering the period 1 January 2023 to 31 December 2023, with data from previous financial years for comparison if applicable. It follows the Global Reporting Initiative ("GRI") Universal Standards 2021 and uses the GRI reporting principles for Report Content and Report Quality, ,and is also guided by the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The GRI Standards have been chosen as they are a recognized wide-ranging and global standard for sustainability reporting. This report is published in accordance with the SGX Sustainability Reporting requirements as set out in Catalist Rules 711A and 711B.

The information presented in this report covers all of the entities that are part of the Trendlines Group. Regarding environmental and employee metrics, we have included our headquarters in Israel and facility in Singapore. As investors in the agrifood and medtech sectors, ESG concerns are a built-in feature of our business. While we have included a section on our portfolio companies' sustainability advantages, such as reducing the ecological footprint of food production and improving efficiencies in healthcare, this report does not cover the full ESG performance and data of our portfolio companies. We continually face the challenge that ESG information for our portfolio companies is not readily available or comparable, as being young companies, they do not have the resources, systems, and processes in place to collect, track and report the applicable data. Additional information on portfolio companies' performance can be found in the Business Review chapter of this Annual Report and on the individual companies' websites.

REVIEW

We have not sought external assurance for this report but may consider doing so in the future. We welcome feedback from all stakeholders on this Sustainability Report. The Internal Auditor reviews the sustainability reporting processes in accordance with their audit cycle. For any questions or comments about this Sustainability Report, please email us at: info@trendlines.com.

GOVERNANCE FOR SUSTAINABILITY

Sustainability starts with good corporate governance. Trendlines' Board, consisting of five independent directors, together with our executive management team, oversees our sustainability strategy, including oversight of climate-related risks and opportunities. This includes identifying important issues, ensuring effective management of sustainability-related matters, and engaging stakeholders. All Board Members have received sustainability training. Sustainability performance is not linked to executive remuneration.

The Board guides the Sustainability Taskforce (Figure 1) in implementing and monitoring sustainability initiatives including climate-related issues. The Taskforce, composed of Trendlines' CEO, Head of Investor Relations, Corporate Controller and Director of Operations handle day-to-day sustainability responsibilities such as liaising with portfolio companies, tracking ESG indicators, monitoring compliance, providing reporting metrics and bringing critical sustainability concerns to the Board's attention. The Board accordingly reviews such reports and discusses with the Sustainability Taskforce on the goals and targets for addressing climate-related issues.

FIGURE 1: SUSTAINABILITY GOVERNANCE STRUCTURE

MATERIALITY ASSESSMENT

Our sustainability journey is an integral part of our mission as an organization: Investing to improve the human condition. We have identified our stakeholders and the material aspects relevant to our business as seen in the table below. The interests and requirements of key stakeholders are also considered when formulating corporate strategies.

TABLE 1

Stakeholder Engagement			
Key stakeholders	**Engagement platform/s**	**Frequency**	**Issues/needs identified**
Investors/shareholders	• Announcements though exchange • Company communication platforms • Quarterly calls • Personal e-mail, • Website	On average 2-3 announcements per month. As required by regulation. Call every quarter.	Financial performance and future direction for the Company Operational efficiency and corporate strategy
Employees	• Staff meetings • Personal communications • Annual performance review • Company events	Monthly staff meeting Annual employee review Training according to annual program Fun or volunteering in community days	Corporate strategy and company direction Company policies and directives Community involvement and commitment
Portfolio companies	• Quarterly updates, meetings, regular correspondence • Director involvement on company boards • Training materials and sessions • Pitch opportunities	Monthly to quarterly	Milestone achievements Funding and planning Strategic developments Crisis management
Business and ecosystem partners	• Quarterly updates/ communications • Conferences and webinars	Varies from monthly to quarterly	Portfolio developments Event planning for sharing information and building networks
Governmental institutions	• Monthly reports and bi-annual visits • Mail and phone correspondence	Monthly, quarterly, and annual reports on progress of portfolio company milestones.	Portfolio developments and milestones Funding needs and gaps Ecosystem strengthening

ESG INVESTMENT INTEGRATION

Incorporating ESG considerations into our investment approach involves a structured three-step methodology:

We analyze overarching ESG trends in medtech and agrifood technologies, aligning with the primary sectors specified in our investment mandate. For example, shifts in weather patterns have implications for crop yields, emphasizing the pressing need for the development of nutritionally rich and climate-resilient crop varieties. Healthcare costs are rising worldwide, highlighting the need for technologies that reduce costs in this sphere. These are the kinds of factors that underpin our commitment to the investment sectors of our choice. Additionally, our experience, expertise and partnerships in these areas give us a competitive advantage compared to other investment foci.

Once we have made an investment, our attention is devoted to governance policies and procedures in our interactions with and monitoring of portfolio companies. Mandating clear accountability, control, and reporting mechanisms for both financial and non-financial aspects ensure robust governance standards and allow us to follow and support the portfolio companies milestone achievements enabling them to enter the marketplace and provide returns on their investment.

Trendlines balances ESG considerations with our corporate strategy and investments, aligning with the global trend of ESG investing. ESG factors are integrated into our investment ethos, process, impacting the risk/return outlook and outcomes of investee companies. These factors encompass business, environmental issues, social issues, and governance issues.

Our ongoing task is to identify relevant ESG issues for our organization, investment sectors, and portfolio companies. ESG factors are built into our investment ethos by investing in our two focus sectors: agrifood tech and medtech. These two sectors naturally align with many of the United Nations Sustainable Development Goals. A challenge we face is the limited availability and comparability of ESG information for start-ups, which often lack the resources and systems to collect and report relevant data in a systematic and thorough manner.

Our materiality assessment involved a four-step process.

1. Identification
2. Rating
3. Prioritization
4. Validation

IDENTIFICATION

We identified a number of material factors to the sustainability of our business (set out in the bullets below). Through a process of rating and then prioritization, we focused on a number that we see as material to our sustainability journey.

Business/Financial

- Investment ethos (sectors according to mission)
- Investment focus (stages, focus of resources, types of technology)
- Monitoring of portfolio company progress and decision-making following analysis
- Business resilience

Environmental:

- Energy and water used in our daily operations.
- Waste produced.
- Fuel consumed by car travel.
- Emissions tracked from air travel.
- Investment in technologies that lower carbon footprint

Social:

- Diversity of employees and officers of the Company across gender, age, ethnicity, and skills.
- Involvement in ecosystem support: conferences, events, relevant sector organizations, charitable organizations, forums.
- Employee and portfolio management well-being
- Wider social support in time of war

Governance:

- Business ethics policies
- Regulatory compliance
- Monitoring of portfolio companies
- Crisis management

PRIORITIZATION AND VALIDATION

The prioritization assessment was performed at the management level and twice at the Board level as well as ongoing discussions of the sustainability task force. Following these discussions, these are the central ESG topics validated for their relevance and impact on our business and stakeholders for 2023:

TABLE 2

Business/Financial	Environmental	Social	Governance
• Business resilience	• Working towards a sustainable environment	• Diversity and inclusion • Ecosystem involvement • Social resilience support • Employee well-being	• Business ethics and policies • Regulatory compliance • Crisis management • Portfolio company monitoring

BUSINESS/FINANCIAL RESILIENCE

DEFINITION

Business resilience is the ability to adapt quickly to uncertain circumstances and risks, while maintaining key business processes. It embodies the Company's ability to cope with stress and maintain critical functionality to flourish in new realities.

RISKS

Risks in the short term include the geopolitical instability of the region, risks in the medium term include fast-changing technologies and regulatory policies. Risks in the longer term may include impact from climate change.

OPPORTUNITIES

Opportunities in the short and medium term are the improvement of financial performance while mitigating risks.

The opportunities in the long-term are achieving relative competitive advantage in our area of expertise by keeping abreast of technology developments in our focus investment sectors and achieving financial stability ensuring the continued resilience of the business.

TARGETS FOR FY2024

To maintain sufficient working capital in order to mitigate market uncertainty and volatility, as well as to balance uneven income periods.

In November 2022, we announced the adoption of a strategic transformation plan which included investment focus on current portfolio companies, suspension of new company investment activity, and a reduction in operating expenses. In 2023, we began to put the plan into action. During 2023, we indeed made no new investments and did a deep analysis of our current portfolio and business activities culminating in a streamlining process to focus efforts on our core strengths and activities. A reduction in staff and changes in management also reflect this strategic focus.

The implementation of this plan will continue into 2024 and beyond. The ability to make and implement a strategic plan serves to build the resilience of the Company for the long-term.

See the Financial Highlights section for detailed information on our economic performance.

TABLE 3

Total number of active portfolio companies*	44
No. of investments in new portfolio companies in 2023	Zero
Portfolio fair value	US$66.4 million

**Not including the Agrifood Fund portfolio*

ENVIRONMENTAL

DEFINITION

Monitoring our environmental footprint, while encouraging employees in environmentally friendly practices. The monitoring and measure of the Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions) assist to monitor our environmental footprint. For disclosure on our emissions, see Tabels 4.1-3 below.

RISK

In the short-term, climate changes are affecting our natural habitats. This has medium and long-term risks for our food production, our physical assets, and infrastructures.

OPPORTUNITY

In the short term, we can work to achieve and maintain environmentally friendly practices and encourage investments in companies that are sustainable and reduce climate impact.

In the long-term, impact investing may become a growing investment sector due to the need for more sustainable technologies and business endeavors.

SUSTAINABILITY REPORT

TARGETS

To strive to carry out and maintain our business operations in as environmentally responsible a way as possible and to continually explore ways to reduce our environmental footprint in the short, medium, and long term. Ensuring that we maintain our current GHG emissions will assist in monitoring our operating expenditures on energy, water, fuel use, as well as monitoring our environmental impact as an organization. For 2024, we will begin monitoring our emissions from business flight travel.

Reporting on our environmental performance, we continue to collect data and monitor the emissions occurring from our daily operations in Israel and Singapore regarding fuel use for employee transportation, electricity, and water consumption, as well as waste management. While our business does not heavily consume natural resources, we continue to make efforts to minimize our carbon footprint, or at least, not increase it from year to year. Wherever possible, we save on purchases and examine our purchase chain for the most economic and ecological ways to improve our operations.

ENERGY USE

The Group targets to maintain the same energy usage levels from year to year per square meter. We aim for a gradual reduction by constant reminders to employees on energy-saving behaviors, as well as the examination of the adoption of energy-saving technologies where appropriate.

TABLE 4.1 ENERGY CONSUMPTION

	FY2022 kWh	FY2023 kWh	FY2023 Performance	FY2024 (Targets)
Israel 1,950 sqm	193748 for 1950sqm Energy intensity measured at 99.4kWh/sqm Carbon emissions 164685.8 kg	233912 for 1950sqm Energy intensity measured at 119.9 kWh/sqm Carbon emissions 198825.2 kg	The target of maintaining energy consumption for FY 2023 at the same level of FY2022 was not attained.	Maintain similar energy usage per sqm
Singapore	Not measured	7943 kWh for 496 sqm Energy intensity measured at 16 kWh/sqm Carbon emissions 6751.38 kg		Maintain similar energy usage per sqm
Total Carbon emissions (kg)		205576.6 kg		

The total energy consumption for the Group for 2023 was 241854.8 kWh, equivalent to Scope 2 (indirect) emissions of about 205577 kg CO_2.

Energy consumption increased by ~17% in Israel from 2022 to 2023. This increase was mainly due to the increased activity in the foodtech laboratories of two portfolio companies, as well as the accelerated use of the clean room facility for production purposes for a medtech company.

FUEL CONSUMPTION

From 2022 to 2023, the Company reduced its use of gas for car usage by moving to hybrid cars. The target is to reduce this further by leasing only hybrid or electric cars. This target is sometimes not possible due to the unavailability of these cars.

TABLE 4.2 FUEL CONSUMPTION

	FY2022	FY2023	FY2023 Performance	FY2024 Target
Israel	32541.43 L	26964.42 L	Fuel consumption was reduced by 17% in 2023 compared to 2022.	To continue to reduce fuel consumption through fewer cars leased and more hybrids cars used.
Carbon emissions (kg)	74715.12 kg	61910.31 kg		

Fuel consumption measurements refer only to cars leased by the company which constitutes a Scope 1 (direct) emissions for 2023 of approximately 61910.31 kg CO_2.

WATER CONSUMPTION

We have begun to monitor our water consumption in our offices in Israel. We will examine the possibility of doing so for our Singapore offices for next report.

Our goal is to maintain the same levels of water usage, with a view to reducing where possible.

TABLE 4.3 WATER CONSUMPTION

	FY2022	FY2023	FY2023 Performance	FY2024 Target
Israel	1394.34 cubic meters for 1950sqm	1078.65 cubic meters for 1950sqm	Water consumption was reduced by 22%.	To maintain or reduce water consumption. To start measuring water consumption in Singapore facility if possible.
Carbon emissions (kg)	Approximately 557.736 kg	Approximately 431.46 kg		

Water consumption measurements refer only to our Israel site and constitute a Scope 3 (indirect) disclosure for 2023 of approximately 432.46 kg CO_2.

WASTE MANAGEMENT

We will continue to recycle paper and cardboard and achieve zero use of disposable utensils.

To continue to use digital communications wherever possible to avoid unnecessary waste of paper.

SUSTAINABILITY REPORT

FY2023 PERFORMANCE:

In Israel, we recycle all paper and cardboard. However, the lack of recycling infrastructure at the local Business Park poses limitation on recycling of other waste. We continue to reduce the usage of disposable utensils to almost zero.

Physical copies of our annual report, and circulars to shareholders will only be printed upon request.

Investing in environmentally sustainable companies, for example:

VIAQUA THERAPEUTICS

ViAqua' ESG Mapping

ViAqua makes aquaculture environmentally friendly, and financially sustainable by harnessing the power of RNA.

SDG goals

1 NO POVERTY: The life of many small farmers depends on their livestock's health. ViAqua helps keep farmed fish and chicken healthy and reduces the economical vulnerability of small farmers.

2 ZERO HUNGER: ViAqua helps increase the yield of aquaculture and other livestock farms and provide more food for the same resources.

3 GOOD HEALTH AND WELL BEING: ViAqua helps maintain fish' and other livestock's health by efficiently delivering precise and targeted solutions to various diseases that could otherwise impact our food's quality and our health.

6 CLEAN WATER AND SANITATION: ViAqua's efficient RNA-based solutions reduce the use of uncontrolled antibiotics and other drugs that can reside in the water systems..

12 RESPONSIBLE CONSUMPTION AND PRODUCTION: ViAqua's precise delivery method reduces the number and amount of uncontrolled drugs used and reduces the mortality rate in aquaculture and other livestock farming.

14 LIFE BELOW WATER: ViAqua helps increase the yield of farmed fish and shrimp and reduce overfishing.

PLANETech Climate Challenge Map

VIAQUA

Eco-Efficient Water Infrastructure

ViAqua's efficient RNA-based solutions reduce the use of uncontrolled antibiotics and other drugs that can reside in the water systems.

Novel Materials

ViAqua harnesses the power of RNA to provide safer, more efficient and sustainable farming

Climate Smart Agriculture

Using precise and targeted solutions for various diseases, ViAqua increases yield, reduces loss and GHG emission, and increases overall farmed animal health and quality.

Food Loss & Waste

ViAqua reduces mortality and loss of farmed animals.

Oceans & Water Ecosystems

ViAqua helps increase the yield of farmed fish and shrimp and reduce overfishing.

SUSTAINABILITY REPORT



SOCIAL

DEFINITION

a. To create a safe work environment encompassing both physical and mental well-being.

b. To develop and maintain diversity and inclusion for all employees.

c. To foster positive connections with the wider community giving employees wider purpose and building brand awareness and reputation.

RISK

a. A workplace that is unsafe or uncomfortable physically and mentally can have a detrimental effect on motivation and productivity, negatively impacting employee morale.

b. Lack of diversity can create limitations to creative thinking and problem solving.

c. Lack of connection to wider community may lead to insular thinking, preventing learning from the ecosystem, and prevention of brand-identity building.

d. The above pose risks for the short, medium, and long-term success of the Company.

OPPORTUNITY

a. Creating a workplace that is attractive to employees enables the Group to be attractive to talented professionals, enhancing the Company's competitive advantage.

b. Diversity in the workplace enables the Group to benefit from a wealth of diverse skills, knowledge sets and experience.

c. The diversity of the BOD ensures a wide range of opinions and points of view for balanced decision-making.

d. The above contribute to the Group's reputation.

TARGETS

Our targets for the short, medium, and long term are to attract and retain quality employees with a diverse set of skills and experience as an important competitive advantage in our field of business. Maintaining employee well-being, diversity and community involvement assist in building and retaining a cohesive company culture and employees committed to the Group's business goals. Sustainable competitive advantage is vital to meeting our current and future business needs.

TABLE 5

Focus	2023 Targets	Performance	2024 Targets
Gender and age diversity	To maintain our balance between male and female and age diversity. To maintain the diversity of the BOD according to our Diversity Policy.	Of the 34 employees in Israel and Singapore. 18 (53%) were women, while 17 (50%) were aged 50 and above. See full details in the Employee section.	To maintain our level of diversity both on the team and on the BOD.
Well-being of employees	To maintain and develop our concern for employee well-being and support through personal interaction and company fun days/ social projects.	See the Employee section for details.	1. To maintain activities that enhance employee well-being. 2. To continue to map out employees affected by the war and assist where possible.
Community involvement	To maintain and develop our level of involvement in the wider community and join new initiatives where appropriate.	See the Local Community section for details.	To evaluate our involvement in current programs and make changes where appropriate.
Incidents of discrimination	Zero	NIL	None.

EMPLOYEE WELL BEING

We hold the belief that the sustained success of our organization hinges on the dedicated contributions of our workforce and their alignment with the corporate strategic priorities. We highly appreciate our employees' commitment to the Company's objectives and are committed to fostering a positive workplace environment that promotes productivity and efficiency for all. Our ongoing commitment to employee engagement involves various communication channels, including regular employee assessments, as well as department and staff meetings. This approach ensures that we stay informed about the priorities and concerns of our workforce while also ensuring their continued alignment with our strategic goals.

In 2023, the Company adopted an anti-discrimination policy (see Corporate Governance Section) whereby the Group has pledged to maintain an inclusive and non-discriminatory culture that treats all employees fairly.

Additionally, we arrange employee outings, fun days, and communal meals in the office to encourage informal communication and connection between employees.

In the last quarter of the year, many of our employees in Israel were affected by the October attack and the war that has followed. Management have kept in close contact with all employees to map out their needs and ensure their well-being during these tense times.

DIVERSITY

Trendlines recognizes the significance of diversity within our workforce, valuing the diverse range of skills and experiences contributed by our staff in both Israel and Singapore. Our commitment is to establish an inclusive and culturally sensitive work environment that offers equal opportunities to all employees, irrespective of factors such as ethnicity, language, religion, age, or gender.

SUSTAINABILITY REPORT

In 2023, we strategically downsized our staff across operations in Israel and Singapore, aligning with our shift to concentrate on existing portfolio companies rather than initiating new ventures. The employee count decreased from 39 in March 2023 to 34 by December 2023. Notably, seven of our portfolio companies are led by women, and three of our Board members, including our Lead Independent Director, are women.

The Company's **Board Diversity Policy** addresses the balance of gender, skills and experience, and any other relevant aspects of diversity, to enhance and strengthen the quality of the Board's composition and contribution to the Group.

With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects included: gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence, and length of service. See the Board of Directors section of this Annual Report for full information on the Board members and the Company's accompanying targets for Board Diversity in the Corporate Governance section of this Annual Report..

CHART 1 – GENDER DIVERSITY OF EMPLOYEES

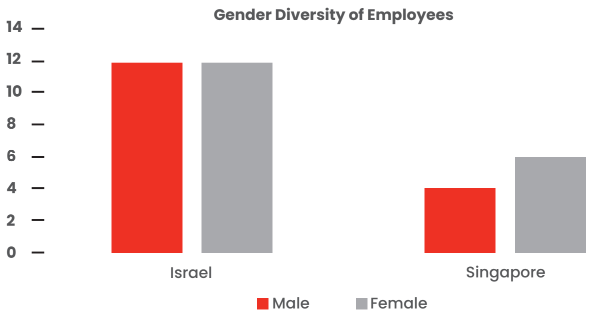
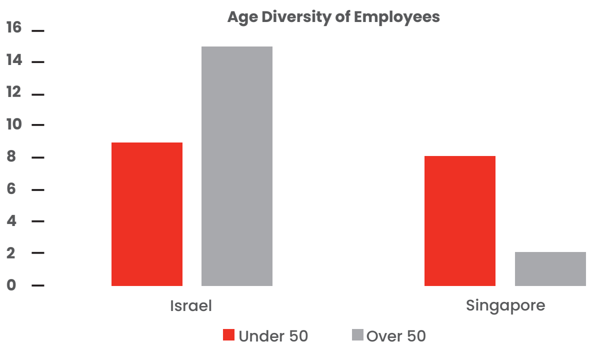


CHART 2 – AGE DIVERSITY OF EMPLOYEES



LOCAL COMMUNITIES

Trendlines continues to be involved in the local innovation ecosystems in both Israel and Singapore, supporting and participating in various types of events that foster collaboration in order to build and bolster innovative and entrepreneurial cultures.

Trendlines founded and continues to run the AgriVest Conference, Israel's premier agritech event. AgriVest 2023 was due to take place in November 2023, but was postponed due to the situation in Israel.

Trendlines' team and management regularly participate in ecosystem events as panelists, moderators, and mentors, both in Israel and in Singapore. See the Business Review section for full details.

Tmura, the Israeli Public Service Venture Fund, shares in the success of Israel's thriving technology sector through equity donations from Israeli and Israel-related high-tech companies. When the companies go public or are acquired, Tmura donates its earnings to educational initiatives and youth-related charities. For more information, see www.tmura.org. As a Tmura member, we have donated shares in Trendlines, and we strongly encourage all our portfolio companies to allot equity to this important endeavor. In 2023, one portfolio company granted options to Tmura, giving us a total of 59 portfolio companies that have granted options to Tmura.

We do not set specific targets for our community involvement. On an annual basis we review our current commitments and examine new initiatives on an ongoing basis to find the best fit for our contributions and involvement.

GOVERNANCE

DEFINITION

Ensure the application and adherence to rules, laws, and regulations in all jurisdictions where the Company conducts business.

RISK

Non-compliance with laws and regulations may incur monetary and non-monetary penalties, as well as negatively impacting the Group's reputation, influencing its financial and business stability.

RISK MANAGEMENT

The Board holds responsibility for overseeing the comprehensive risk governance, risk management, and internal control framework of the Company. It has established an internal control system to protect the interests of shareholders and the Company's assets while effectively managing risks. Senior management is in charge of designing and implementing these risk management and internal control systems, with continuous reviews of their efficacy. Pertinent documentation, such as delegation of authority, control processes, and operational procedures, is communicated to the Group's employees.

The Audit Committee evaluates the sufficiency and efficiency of the Group's internal controls, encompassing financial, operational, compliance, and information technology controls. The committee also assesses the risk management policies and systems implemented by the Group.

OPPORTUNITY

Compliance results in better ability to manage risks, provide organizational stability and stakeholder trust.

TARGETS

As an organization, Trendlines aspire to the highest standards of corporate governance and our goals for the short, medium, and long term are to maintain 100% regulatory compliance, business ethics, and transparent management as set out in detail below. The Group sees excellent governance as a vital element in garnering and building trust in Trendlines from shareholders, to employees, to portfolio companies and business partners thus building financial and business strength.

SHAREHOLDERS

We are committed to establishing enduring trust and confidence with our investors through our investor communications initiatives. Recognizing the significance of timely, transparent, and precise disclosure of essential information to the investment community, we employ a diverse range of communication channels, leveraging digital technologies. In addition to adhering to relevant legal and regulatory standards, Trendlines continually strives to enhance our investor relations program by aligning ourselves with industry best practices. We engage in regular communication through semi-annual announcements, encompassing financial statements, management insights, presentation materials, and press releases. Furthermore, we conduct periodic online sessions to update our shareholders on business developments and enable stakeholders to interact with management and have their queries addressed.

Trendlines was honored and proud to have been awarded the Most Transparent Company Award for 2023 from the Securities Investors Association (Singapore). This award is a testament to our commitment to building trust and fostering accountability with all of our stakeholders – shareholders, portfolios companies, employees, and partners.

For comprehensive details, please refer to our Investor Relations and Business Review sections.

TABLE 6

Focus	2023 Targets	Performance	2024 Targets
Reported cases of corruption	To maintain our existing performance of zero cases of corruption.	Nil.	To maintain our existing performance of zero cases of corruption.
Regulatory/compliance breaches	To maintain our existing performance of zero regulatory/compliance breaches.	Nil.	To maintain our existing performance of zero regulatory/compliance breaches.
Representation on the board of portfolio companies	To maintain our current representation of more than 90%	Trendlines was represented on the boards of more than 90% of our portfolio companies.	To maintain our current representation of more than 90%

SUSTAINABILITY REPORT

BUSINESS ETHICS

DEFINITION

Business ethics includes organizational principles, standards and values that govern the actions of the Group and employees to prevent bribery, corruption, and extortion in all the markets where the Group operates.

RISK

Violations of the Group's Code of Business Conduct, and related behaviors regarding bribery, fraud, insider trading, corruption and misconduct could all impact the Group's reputation and financial position.

OPPORTUNITY

- Businesses that follow excellent ethical standards enjoy good reputations, build trust and confidence, and may lead to greater business success.
- Avoid lawsuits.
- Provide ethical guidelines for crisis management.

Trendlines is committed to high standards of ethics and integrity as an organization, and we aim to inculcate these standards in our portfolio companies' management standards. Our business ethics are grounded in a number of corporate policies which we uphold and monitor. The five policies below are detailed in the Corporate Governance section of the Annual Report.

TABLE 7

Focus	Purpose	2023 Targets	Performance	2024 Targets
1. Code of business conduct and ethics policy	Businesses that follow excellent ethical standards enjoy good reputations, build trust and confidence, and may lead to greater business success.	To maintain 100% training compliance and zero incidents of misconduct.	Achieved	To maintain 100% training compliance and zero incidents of misconduct.
2. Whistle-blower policy	The policy encourages employees and/or stakeholders, who have serious concerns about any misconduct or wrongdoing relating to the Company and its officers to voice such concerns in confidence.	To maintain an open and discrete channel for the report of any wrong-doings or misconduct.	Achieved	To maintain an open and discrete channel for the report of any wrong-doings or misconduct.
3. Anti-bribery and anti-corruption policy	To maintain a high standard of business ethics, free of bribery and corruption.	To maintain 100% training compliance and zero incidents of bribery and corruption reported	Achieved	To maintain 100% training compliance and zero incidents of bribery and corruption reported
4. Anti-discrimination policy	Innovation cannot thrive in an atmosphere that allows discrimination or harassment of any kind.	To maintain zero incidents of reported discrimination.	Achieved	To maintain zero incidents of reported discrimination.
5. Diversity policy for the board	The balance of gender, skills and experience, and any other relevant aspects of diversity, to enhance and strengthen the quality of the Board's composition and contribution to the Group.	To maintain the diversity of the Board as set out in the policy.	The Board indeed spans a wide variety of experience, skills, and ages. It is also balanced regarding gender representation.	To maintain the diversity of the Board as set out in the policy.
6. Sustainability training for the Board	To ensure all Board members have an overview of ESG and sustainability matters and trends.	To ensure all Board members have completed the training satisfactorily.	All board members participated and received certification on completion of the training course.	To ensure all Board members have completed the training satisfactorily.

REGULATORY COMPLIANCE

Regulatory compliance is taken seriously by the Company and comprises compliance with laws and regulations of every jurisdiction in which we operate. We perform internal audits annually to ensure compliance in different areas of our operations. Regulatory compliance is measured by the number of incidents of non-compliance relating to laws, regulations, and reporting.

TABLE 8

Focus	2023 Targets	Performance	2024 Targets
Incidents of non-compliance relating to laws, regulations and reporting.	To maintain zero incidents of non-compliance.	Achieved	To maintain zero incidents of non-compliance.
Internal audit on purchasing policies	To review our purchasing policies with a view to implement the recommendations thereafter.	Achieved and the results will be implemented in for purchasing policies in the future.	To review our Purchasing Policies with a view to implement the recommendations thereafter.
Internal audit on Sustainability Report	To review of our Sustainability Report with a view to implement the recommendations thereafter.	Achieved and the results are being implemented in the Sustainability Report procedures for the future.	To implement the recommendations thereafter.
Internal audit on related parties transactions	-	N/A	To implement the recommendations thereafter.

PORTFOLIO COMPANY MANAGEMENT

As corporate shareholders, we strive to build a culture of open communication and engagement with our portfolio companies and to provide modelling of good governance to assist them in reaching their full potential.

We establish guidelines for how our portfolio companies communicate with the public. Acting on behalf of these companies, we regularly provide shareholders with monthly and quarterly updates, sharing essential information about new corporate developments and the ongoing progress of various initiatives within these entities. We maintain consistent communication with our portfolio companies, seeking to comprehend their challenges and limitations and, whenever feasible, offering recommendations and advice on potential solutions. To ensure effective strategic oversight and promote sound governance practices, several members of Trendlines' management team actively participate as board members in 95% of our portfolio companies.

An area which we did not expect was how to support our companies during a crisis such as wartime. Portfolio companies were affected in different ways, depending on their human resource make-up, their geographical operations, their business field and others. Limitations that were common to all:

- Limitations on overseas travel
- Inability to raise funds in an atmosphere of uncertainty.

Some companies faced the sudden and relatively long absence of team members due to being called to serve as reservists. Some companies had to relocate their operations or laboratories as they were close to borders which were evacuated due to danger. Others experienced delays in clinical or field trials, difficulties with shipments of parts, and other logistical hurdles.

SUSTAINABILITY REPORT

The Trendlines team made it a priority to map out needs and assist with finding appropriate solutions wherever possible. Examples are:

- Accommodating evacuated teams to use our office facilities as their temporary base.
- Liaising with government bodies to provide bridge funding.
- Assisting with recruitment of temporary human resources to maintain functioning.

TABLE 9

Focus	2023 Targets	Performance	2024 Targets
Valuation process applied to portfolio companies	At least once a year	Achieved All companies are externally valued on an annual basis based on their company status. In 2023 we achieved 100% of this target and seek to maintain this in the coming years.	At least once a year
Updates received from portfolio companies	All portfolio companies (in their first two-three years) meet monthly and all portfolio companies to report their progress on a quarterly basis.	Achieved In 2023, we achieved 90% of this target and will continue to maintain this, paying special attention to ensure formal meetings are held monthly and that all CEOs are present. The 10% not achieved was due to two portfolio companies whose CEOs are in reserve army duty and it was impossible to meet with them. Their teams have continued to work in their absence. We held quarterly update meetings to update progress to the Trendines' team.	All portfolio companies (in their first two-three years) meet monthly and all portfolio companies to report their progress on a quarterly basis.
Updates from portfolio companies to their boards and shareholders	All portfolio companies to communicate on a regular basis (quarterly) with their boards and shareholders.	Achieved The Trendlines' board representative reminds the respective CEOs to ensure that such regular communications are carried out.	All portfolio companies to communicate on a regular basis (quarterly) with their boards and shareholders.

GOVERNMENT AND INDUSTRY

Due to our involvement in the essential agrifood and healthcare sectors, which are closely monitored by governments, we maintain frequent communication with political officeholders, government officials, and regulators. Regular participation in working groups and consultation forums allows us to address industry issues and challenges faced by our portfolio companies. For instance, we play an active role in shaping a policy report aimed at governmental levels, focusing on planning a sustainable and equitable transition resulting from the adoption of new technologies in agriculture and their impact on the traditional agricultural and food sector.

Our ongoing engagement with the Israel Innovation Authority, a government agency in Israel, involves staying updated on the latest developments in its investment programs. These programs provide additional funding opportunities for our portfolio companies when needed.

Furthermore, we actively liaise with government agencies in Singapore to stay informed about the latest industry trends and modifications to grants and other incentives. In Singapore, we have established numerous collaborations with hospitals and health maintenance organizations.

It is challenging to set specific targets for our involvement with government and industry, as these change and evolve on an ongoing basis. We constantly review our current involvements and opportunities in this realm and examine new initiatives on an ongoing basis.

We play an active role in various industry affiliations and organizations involved in technological innovation, including:

- Israel Innovation Authority
- PLANETech (collaboration)
- Israel Advanced Technology Industries (membership and collaboration)
- Israel Export & International Cooperation Institute (membership and cooperation)
- Start-Up Nation Central (cooperation)
- Medtech Insight (membership and cooperation)
- Singapore Israel Industrial R&D Foundation ("SIIRD") (cooperation)
- GrowingIL, part of Israel Innovation Institute (cooperation and running of AgriVest Conference)
- Ecommunity – a mission-driven corporation located at the Misgav Business Park that employs persons with disabilities to recycle and upcycle e-waste (support)
- Klika Innovation Hub – an initiative of the Misgav Regional Council to promote innovation and enterprise (collaboration)
- Agtech Nation (LinkedIn community page)
- Tmura, the Israeli Public Service Venture Fund
- Enterprise Singapore (cooperation)
- National Healthcare Group (cooperation)
- Fair transition policy report by the Yesodot Institute (publication of policy report)
- Nurasa (collaboration)
- A*STAR's Singapore Institute of Food and Biotechnology Innovation (SIFBI) (collaboration)
- Republic Polytechnic (collaboration)

GRI CONTENT INDEX

The Trendlines Group Ltd. has reported in accordance with the GRI Standards for the period 1 January to 31 December 2023.

GRI Standards Disclosures		Reference Pages or Reasons for Omission
GRI 2: General Disclosures 2023		
2-1	Organizational details	Corporate Profile (main AR)
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Nil
2-5	External assurance	About This Report
2-6	Activities, value chain and other business relationships	Group Structure (main AR)
2-7	Employees	Business Review (main AR)
2-8	Workers who are not employees	Stakeholder Engagement
2-9	Governance structure and composition	Governance for Sustainability
2-10	Nomination and selection of the highest governance body	Corporate Governance Report (main AR)
2-11	Chair of the highest governance body	Corporate Governance Report (main AR)
2-12	Role of the highest governance body in overseeing the management of impacts	Governance for Sustainability
2-13	Delegation of responsibility for managing impacts	Governance for Sustainability
2-14	Role of the highest governance body in sustainability reporting	Governance for Sustainability
2-15	Conflicts of interest	Corporate Governance Report (main AR)
2-16	Communication of critical concerns	Governance for Sustainability

2-17	Collective knowledge of the highest governance body	Corporate Governance Report (main AR)
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report (main AR)
2-19	Remuneration policies	Corporate Governance Report (main AR)
2-20	Process to determine remuneration	Corporate Governance Report (main AR)
2-21	Annual total compensation ratio	This is currently not tracked
2-22	Statement on sustainable development strategy	Contribution to Sustainable Development
2-23	Policy commitments	Contribution to Sustainable Development
2-24	Embedding policy commitments	Contribution to Sustainable Development
2-25	Processes to remediate negative impacts	Governance for Sustainability
2-26	Mechanisms for seeking advice and raising concerns	Governance for Sustainability
2-27	Compliance with laws and regulations	Regulatory Compliance
2-28	Membership associations	Stakeholder Engagement
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	No employees are covered by collective bargaining agreements.
GRI 2: Material Topics 2021		
3-1	Process to determine material topics	Materiality Assessment
3-2	List of material topics	Materiality Assessment
3-3	Management of material topics	Materiality Assessment
Topic-Specific Standards		
Business Ethics		
GRI205	**Anti-corruption 2016**	
205-1	Operations assessed for risks related to corruption	Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Business Ethics
GRI 302: Energy 2016		
3-3	Management of material topics	Materiality Assessment
305-1	Direct (Scope1) GHG emissions	Tables 4.1-4.3
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Materiality Assessment
405-1	Diversity of governance bodies and employees	Chart 1
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	Materiality Assessment
406-1	Incidents of discrimination and corrective actions taken	Table 5

TCFD REPORTING

This table spells out Trendlines' progressive alignment with the eleven TCFD recommendations.

TCFD Thematic Areas	Recommended Disclosures	References and Remarks
1. Governance Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	Governance for Sustainability
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Governance for Sustainability
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Climate Risk Disclosures
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Climate Risk Disclosures
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The overall impact is non-material impact on operating costs. Trendlines monitors this to mitigate the risk.
3. Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks	Climate Risk Disclosures
	b) Describe the organization's processes for managing climate-related risks	Climate Risk Disclosures
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Governance for Sustainability
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Tables 4.1-4.3
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Environmental Performance Tables 4.1-4.3
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Environmental Performance Tables 4.1-4.3

BOARD OF DIRECTORS

Nehama Ronen

Interim Chair

Nehama Ronen was appointed as an Independent Director on 6 June 2022. Nehama was designated as Interim Chair of the BOD effective 8 March 2024. She serves as a member of the Nominating Committee and Remuneration Committees.

Nehama brings over 20 years of experience as a Board member of public companies. In 1996 she was appointed Director General of Israel's Ministry of Environmental Protection, a post she held until June 1999. Then she served as a member of the Israeli Parliament.

Since 2004, she has held the position of Chair of the Maman Cargo Terminals & Handling Ltd., one of the Israel's leading logistics (air, sea, and ground-handling) companies. From 2004 to 2019, Nehama served as the Chair of the ELA Recycling Corporation. Additionally, she served as a director at Bank Hapoalim, Israel's biggest bank.

Nehama holds a BA in Education and History from Beit Berl College and an MA in Public Administration from Haifa University. She also participated in the Senior Executive Program at the London Business School.

Elka Nir

Lead Independent Director & External Director

Elka Nir was appointed as an Independent and External Director on 15 October 2015 and was last re-elected to the Board to serve as our External Director under the Israeli Companies Law on 4 March 2022. She is our Lead Independent Director.

Elka is the founder and CEO of E.LeadIN Ltd., a company that provides business, strategy, marketing, strategic alliances, and investment consultancy services.

Elka was the CEO of Carmel Ltd. (the economic corporation of Haifa University, Israel), where she was responsible for, among other things, leading commercial and business activities and where she founded and served as the CEO of Carmel Innovations Ltd., a microfund that invests in projects from Haifa University. She held directorships in Carmel Innovations Ltd.'s subsidiaries as well as in several other companies.

She served as the VP marketing, sales, and customer support at a subsidiary of GE Medical, before joining GE Medical, Israel, as VP engineering and research. She was the COO and director of development and operations at Biosense Webster (Israel), Ltd., a subsidiary of Johnson & Johnson. She was the managing director and general partner of Giza Venture Capital Fund, a venture capital fund that invests in innovative high-tech and life sciences companies. At Giza, Elka was a member of the investment committee and had strong connections to its global investors, specifically in Asia. Elka served as a board director and investment committee member at Van Leer Technology Ventures, a technological incubator that invests in innovative medical and information technology companies.

She received her BSc in computer sciences from the Technion-Israel Institute of Technology and her diploma (magna cum laude) in business administration from the University of Haifa, Israel.

Boon Ann Sin

Independent Director

Boon Ann Sin was appointed as an Independent Director on 22 June 2020 and according to the Company's Articles of Association, was re-elected in April 2023.

Boon Ann has had a legal career spanning over 30 years. Since 1992 he has been with Drew & Napier, one of Singapore's leading legal firms, becoming a partner in 1994. Prior to his retirement in 2018, he was the Deputy Managing Director of the Corporate & Finance Department and the Co-Head of the Capital Markets Practice in Drew & Napier LLC. He has been prolific in handling corporate finance transactions, particularly in the field of IPOs in Singapore. He also acts as counsel to listed companies on secondary equity offerings and debt offerings and advises companies on regulatory compliance. He also specializes in corporate finance and mergers and acquisitions. Boon Ann is recognized in publications as an industry leader and for his expertise in capital markets. Between 1996 and 2011, Boon Ann was a member of the Singapore Parliament, representing the Tampines GRC.

Boon Ann holds a BA and LLB (Hons) from the National University of Singapore and an LLM from the University of London. He is admitted to practice law in Singapore.

Professor Low Teck Seng

Independent Director

Professor Low Teck Seng was appointed as an Independent Director on 11 August 2022 to serve as our Independent and Non-Executive Director and is due for re-election in April 2024.

Professor Low is currently Senior Vice President at the National University of Singapore. He was CEO of the National Research Foundation, Singapore, until August 2022, a position he held since 2012. He was previously the Managing Director of A*STAR (2010 – 2012) as well as the founding Principal of Republic Polytechnic (2002 -2008) and Dean of the Faculty of Engineering in the National University of Singapore (1998 – 2000).

Professor Low was awarded the National Science and Technology Medal in 2004, the highest honor bestowed on an individual who has made distinguished and exceptional contributions, playing strategic role in the development of Singapore through the promotion and management of R&D. Professor Low has served as a board member of numerous public organizations, including public companies listed on the SGX, namely, Chip Eng Seng Corporation Ltd., ExcelPoint Technologies, Singapore Post Limited and ISEC Healthcare Ltd.

Professor Low received his BSc in Electrical Engineering and a PhD at the University of Southampton.

BOARD OF DIRECTORS

Sarit Zeevi

Independent and External Director

Sarit Zeevi was appointed as an External and Independent Director on 31 January 2023. She serves as a Non-Executive Director.

Sarit is currently the in-house counsel and investments director at Elisha Ltd., a member of the Zeevi Group (a private equity group of companies), where she oversees legal matters and long-term strategy for the group. She leads, among other things, the companies' strategy and decision making relating to start-up investments, from the selection of targeted companies through due diligence processes and the handling of transactional documents.

Previously, Sarit served as business manager and general counsel at Airtouch Solar Ltd, where she planned and led the company's fund-raising rounds all the way through to a successful IPO in 2021, managed business strategy as well as performed legal counsel responsibilities while the company was private and later public. She was also in charge of its corporate governance matters. She also served as in-house counsel at Arava Power Company Ltd. where she led a major refinance transaction and handled other regulatory, transactional, and corporate matters.

Additionally, Sarit was a teaching fellow for business English courses at the Faculty of Law of the University of Haifa.

Currently, Sarit serves as an Independent Director, a member of the Oversight Committee and the Remuneration Committee at Blitz Technologies Ltd., a public company listed on the Tel Aviv Stock Exchange and serves as an Independent Director, a member of the Oversight Committee and the Investments Committee at More Mutual Funds (2013) Ltd., a leading Israeli Mutual Funds manager and subsidiary of Y.D. More Investments Ltd., a public company listed on the Tel Aviv Stock Exchange. She also holds directorships in several other private companies.

Sarit holds a Bachelor of Law (cum laude) from the Hebrew University of Jerusalem, and an MBA from Reichman University. She is a member of the Israeli State Bar Association and is licensed to practice law in New York, Texas and Puerto Rico.

BOARD OF DIRECTORS

Upon the retirement of Trendlines' founding leaders, Steve, Todd and Zeev, the Company extends them a heartfelt thank you for their outstanding leadership and visionary guidance. Their unwavering commitment to excellence, innovation, and integrity has set a standard of excellence that has inspired and motivated the Group as a whole. May their vision continue to guide the Company towards greater heights and achievements in the years to come.

Steve Rhodes
Chair Emeritus

Steve was appointed as our Director upon the formation of our Company on 1 May 2007 and was last re-elected to hold dual office as our Chair and CEO on 24 February 2016. He was last re-elected as a Director on 22 April 2021. In October 2023, Todd and Steve stepped down from the positions of CEO, implementing the first stage of a retirement plan. On 8 March 2024, Steve stepped down from the position of Chair and as a Director of the Company, the second stage of the retirement plan.

Steve founded The Trendlines Group with Todd Dollinger in 2007 and shared the positions of Chair and CEO of Trendlines with Todd till October 2023.

Steve and Todd's strong 30-year business partnership formed the foundation on which Trendlines was built and founded many companies, supporting their growth and commercial endeavors, mentoring entrepreneurs who went on to become serial founders, and built and strengthened the medtech and agrifood sectors in Israel and Singapore alike.

Todd was appointed as our Director upon the formation of our Company on 1 May 2007 and was last re-elected to hold dual office as Chair and CEO on 24 February 2016. He was last re-elected as a Director in April 2023 in accordance with the Company's Articles of Association. Todd founded The Trendlines Group with Steve Rhodes in 2007 and shared the position of Chair of Trendlines with Steve. In October 2023, Todd and Steve stepped down from the positions of CEO, implementing the first stage of a retirement plan. On 8 March 2024, Todd stepped down from the position of Chair and as a director of the Company, the second stage of the retirement plan.

Under the strength of their 30-year business partnership, Todd and Steve oversaw Trendlines' IPO on the Singapore Stock Exchange in 2015, founded over 100 companies, and raised funds around the world for Trendlines, its venture funds, and portfolio companies. They exited portfolio companies to multinational corporations; took portfolio companies public, and expanded the Group's activities internationally, including Trendlines' activities in Singapore and China.

Todd Dollinger
Chair Emeritus

Zeev Bronfeld
Retired Non-Independent Non-Executive Director

Zeev Bronfeld, together with Chairs and CEOs Todd Dollinger and Steve Rhodes, founded the Company and was appointed as a Director upon the formation of our Company on 1 May 2007. He was last re-elected on 17 June 2020 in accordance with the Company's Articles of Association. Zeev served as a Non- Executive Director of the Company until his retirement on 16 October 2023.

Zeev brought a wealth of business knowledge and experience to the Company over his many years as a Director.

BOARD OF DIRECTORS

DIRECTOR AND/OR CHAIR POSITIONS HELD BY DIRECTORS IN OTHER LISTED COMPANIES (CURRENT AND PRECEDING THREE YEARS)

	Current Directorships	Past Directorships (Preceding 3 Years)
Nehama Ronen	• Maman Cargo Terminals & Handling Ltd. (Chair) • Tamar Petroleum (Gas Reservoir) (Independent Director) • Nanox- Director • Dan Public Transportation (Director) • Credit 360 External Director	• Amal Holdings – Director • Trucknet- Director
Elka Nir	• Zooz Power (Chakratec) Ltd. (Independent Director)	• Hadasit Bio-Holdings Ltd. Independent Director
Sin Boon Ann	• CSE Global Limited (Non-Executive Independent Director) • OUE Limited (Non-Executive Non-Independent Director) • Rex International Holding Limited (Lead Independent Director) • TIH Limited (Lead Independent Director WEF 1 January 2021) • Healthway Medical Corporation Limited (Independent Non-Executive Chair) • Sarine Technologies Limited (Independent Non-Executive Director)	• HRnetGroup Limited (Lead Independent Director) • Singapore Center for Social Enterprise Ltd. (raiSE) • SE Hub Ltd.
Prof. Low Teck Seng	• Key Asic Berhad (Listed in Malaysia) • UCrest Berhad (Listed in Malaysia)	• Chip Eng Seng Corporation Ltd. (Listed on SGX)
Sarit Zeevi	• Blitz Technologies Ltd., (listed on the Tel Aviv Stock Exchange)	• Oct. 2018 – Feb. 2021 held director position in Airtouch Solar Ltd. (TASE: ARTS); Resigned upon the company's public listing on TASE. Remained as legal counsel for the company until June 2022.

SENIOR MANAGEMENT

Haim Brosh

Chief Executive Officer & Interim Chief Financial Officer

Haim Brosh was promoted to the position of CEO in October 2023 following the retirement of Steve Rhodes and Todd Dollinger on their shared position of CEOs of Trendlines. Haim served as Trendlines' controller for four years prior to his appointment as CFO in 2018. He will continue to serve as Interim CFO. The 9 years' experience and thorough knowledge of the Group makes Haim an excellent choice to lead Trendlines moving forward.

Haim Brosh has more than 25 years of experience in senior- and executive-level accounting and management positions at public and private companies.

Previously Haim served as CEO and CFO at ACP Ltd., an industrial company manufacturing and distributing air-conditioning products. Haim also served as CFO of publicly traded Elul Tamarynd Ltd. and CFO of SHL Telemedicine Ltd., a public company in the medical device arena. He served in senior finance positions at Amdocs Limited for nine years.

Haim received his BA (Hons) in accounting and economics from Tel Aviv University. He is a Certified Public Accountant in the State of Israel.

Nitza Kardish, Phd

CEO Trendlines Agrifood Fund & Vice Chair AFIC

Nitza Kardish joined the Trendlines management team in June 2011 as CEO of Trendlines Agtech-Mofet, where she built the agrifood tech investment sector of the Group. From 2018 through 31 January 2019, Nitza served as CEO of Trendlines Incubators Israel and VP of The Trendlines Group. In November 2019, Nitza was named CEO of the Trendlines Agrifood Fund and Vice Chair of AFIC, the Agrifood Innovation Center, both in Singapore. Nitza brings true passion to her mission that we must bring change to our food production chain, together with the humble realization that we are a single piece of a huge and complex, global agrifoodtech puzzle.

A plant geneticist, Nitza brings more than 30 years of experience working in senior management positions at life science companies to Trendlines. Prior to joining Trendlines, she served as VP Business Development at the Technion R&D Foundation 2, Ltd. ("Technion Seed"), where she was responsible for the life sciences and cleantech fields.

She previously served as CEO of Clal Life Sciences, an R&D center for emerging life sciences companies; CEO of UroGyn, a start-up that developed minimally invasive surgical tools; and Business Development Manager at Rafael Development Corporation, Ltd.

Nitza earned her doctorate (life sciences) from Tel Aviv University and was a postdoctoral research fellow in the Department of Plant Genetics at the Weizmann Institute of Science. She received an MSc (cum laude) from Tel Aviv University.

SENIOR MANAGEMENT

BARAK SINGER

CEO Trendlines Investments Israel

Barak Singer has over 20 years of experience in management, business development, investment banking, and venture capital. Barak joined Trendlines in 2016 as VP Business Development of Trendlines Medical and in 2019 he was appointed CEO of Trendlines Investments Israel. Barak has been instrumental in completing funding rounds for portfolio companies and the development of companies towards crucial milestone, including merger and acquisition deals. Barak is a director of several Trendlines portfolio companies.

Prior to joining Trendlines, Barak held several senior management positions, including Managing Director, Co-Head of Investment Banking, and Head of Healthcare at Tamir Fishman & Co., representing the Royal Bank of Canada's (NYSE: RY) investment banking arm in Israel, RBC Capital Markets. He also served as VP Business Development at Can- Fite BioPharma Ltd. (NYSE: CANF) and CEO of its subsidiary OphthaliX Inc., VP Business Development at Xenia Venture Capital Ltd., and was a Co-Founder and CEO at Or Capital Healthcare Partners.

Barak received his LLB and BA in business (both with distinction) from the Interdisciplinary Center Herzliya, Israel.

ERIC LOH

CEO Trendlines Medical Singapore

Eric Loh joined The Trendlines Group in 2016 and is responsible for the leadership and overall management of Trendlines Medical Singapore.

Eric brings more than 25 years of experience in the medical device industry to Trendlines. Previously, he had a significant role in developing Biosensors International, building this early-stage cardiovascular device company into a successful, publicly traded company on the Singapore Stock Exchange. As Managing Director, he oversaw the establishment of a joint venture operation in China that resulted in Biosensors' successful entry into the fast-growing Chinese market.

He led successful sales and marketing efforts and commercialized Biosensors' products in other Asia Pacific markets while managing two manufacturing facilities in Singapore.

In 2005, Eric was involved with the company's IPO on the Singapore Stock Exchange.

After leaving Biosensors, Eric was the CEO of start-up EPI Mobile Health, where he achieved regulatory clearance from the FDA, CE, and HSA of a novel mobile ECG device and enabled the commercialization of the products in key markets in Asia.

Eric holds an MSc in medical engineering and a BEng (Hons), both from the National University of Singapore, and is a graduate of an Executive MBA program affiliated with the Helsinki School of Economics. He is a CFA charter holder and an Associate Chartered Valuer and Appraiser.

CORPORATE INFORMATION

DIRECTORS

Nehama Ronen
Interim Chair

Elka Nir
External Director and Lead Independent Director

Sin Boon Ann
Independent Director

Prof. Low Teck Seng
Independent Director

Sarit Zeevi
External Director and Independent Director

BOARD COMMITTEES

AUDIT COMMITTEE

Elka Nir, Chair
Sin Boon Ann
Sarit Zeevi

NOMINATING COMMITTEE

Elka Nir, Chair
Nehama Ronen
Sin Boon Ann

REMUNERATION COMMITTEE

Sarit Zeevi, Chair
Prof. Low Teck Seng
Elka Nir

JOINT COMPANY SECRETARIES

Eunice Hooi Lai Fann
Sahar Farah

REGISTERED OFFICE

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Misgav Business Park 17 T'chelet Street
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Reg. No. 513970947

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Singapore 049318

AUDITOR

ERNST & YOUNG LLP
One Raffles Quay, North Tower, Level 18,
Singapore 048583
Audit Partner: Yew Kiang Chan (appointed in 2022)

SHARE REGISTRAR

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1 Harbourfront Avenue, #14-07 Keppel Bay Tower
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PRINCIPAL BANKER

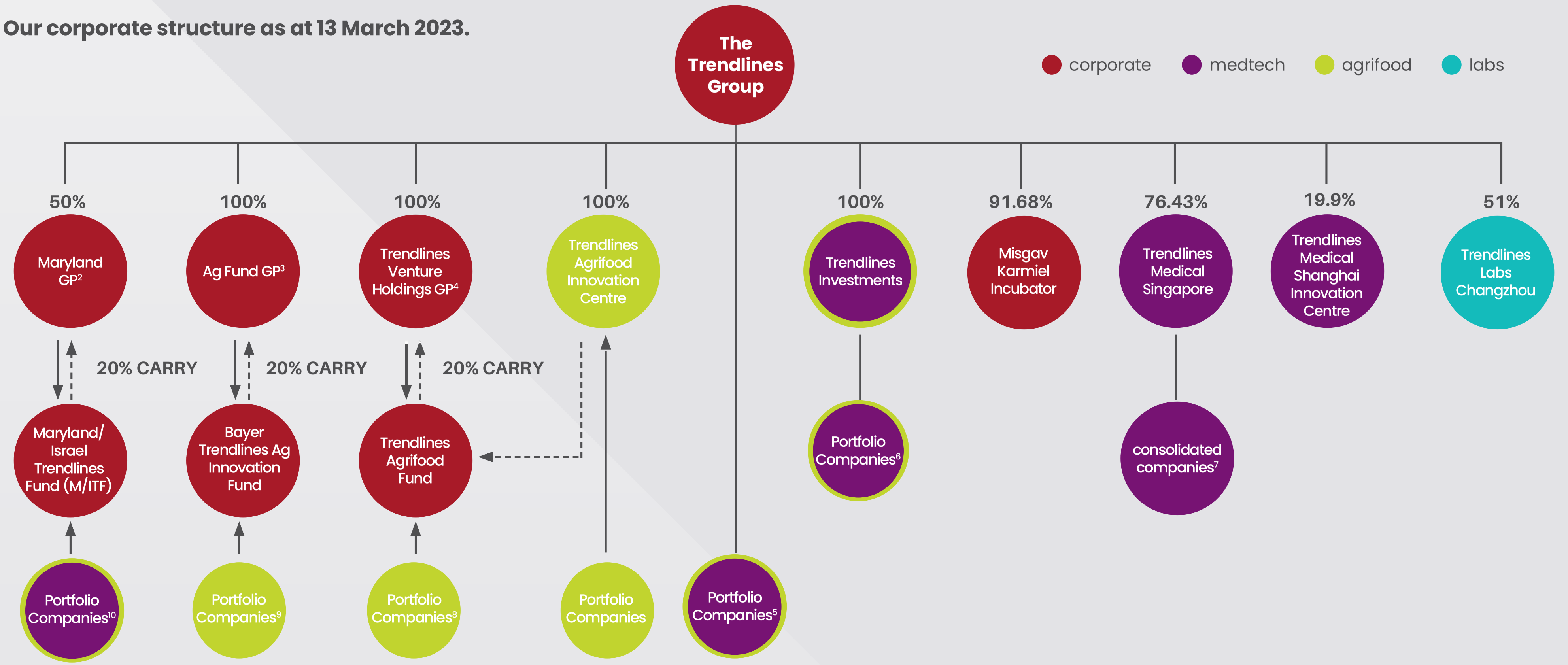
The Bank of East Asia, Limited
60 Robinson Road,
BEA Building
Singapore 068892

DEPOSITARY BANK

The Bank of New York Mellon Corporation
225 Liberty Street
New York, New York 10286
United States of America

GROUP STRUCTURE[1]

Our corporate structure as at 13 March 2023.



1. See the complete list of portfolio companies in the tables on pages 49-50.
2. Maryland GP is a Maryland limited liability company which is the general partner of the M/ITF, a Maryland limited partnership and has invested in certain of our portfolio companies. The remaining 50% shareholding in Maryland GP is held by Maryland/Israel Development Corporation, an unrelated third party. In its capacity as the general partner ("GP") of M/ITF, Maryland GP is entitled to receive 20% of distributions (cash or property) made by M/ITF as carried interest ("20% Carry"), after all the limited partners in M/ITF have received in aggregate distributions equal to their capital contributions to M/ITF.
3. Ag Fund GP acts as the GP of an Israeli limited partnership, the Bayer Trendlines Ag Fund. 100% of the interest in the Bayer Trendlines Ag Fund is held by Bayer Crop Science LP, an unrelated third party. In its capacity as the GP of the Bayer Trendlines Ag Fund, Ag Fund GP is entitled to receive 20% of distributions made by the Bayer Trendlines Ag Fund as carried interest, after all the partners have received in aggregate distributions equal to their respective capital Contributions to the Bayer Trendlines Ag Fund. In addition, in its capacity as the GP of the Bayer Trendlines Ag Fund, Ag Fund GP has the sole, complete and exclusive right, power and discretion to operate, manage, and control the affairs and property of the Bayer Trendlines Ag Fund and to make all decisions concerning the operations and business of the Bayer Trendlines Ag Fund.
4. Trendlines Venture Holdings Ltd., a company incorporated under the laws of the Cayman Islands, is a wholly-owned subsidiary of The Trendlines Group Ltd period and acts as the general partner of Trendlines Agrifood Fund Pte. Ltd., an investment fund constituted as a Singapore private limited company limited by shares. After distributions to the shareholders of the Fund in proportion to their respective capital contributions and the fulfilment of a hurdle rate of 6%, the general partner is entitled to receive a catch-up of 25%; thereafter the general partner is entitled to a performance fee of 20% (the carried interest).
5. Portfolio companies held by the Trendlines Group (see Table A).
6. Portfolio companies held by Trendlines Investments (see Table B).
7. Consolidated companies of Trendlines Medical Singapore (see Table C).
8. Portfolio companies held by the Trendlines Agrifood Fund (see Table D).
9. Portfolio companies held by the Bayer Trendlines Ag Innovation Fund (see Table E).
10. Portfolio companies held by the MITF (see Table F).

GROUP STRUCTURE

Table A – Portfolio Companies of The Trendlines Group	Outstanding Holdings %	Fully Diluted Holdings %
AgroScout	27.40	22.43
AlgaHealth	54.60	47.66
Arcuro	21.71	17.40
Celleste	30.65	28.06
Ceretrieve	24.53	21.67
ElastiMed	36.63	32.13
Escala	49.30	41.90
Gordian	21.06	17.49
iRen	46.83	36.88
Limaca	53.90	40.47
MetoMotion	24.91	23.42
ProArc	18.65	15.83
Seger	49.96	47.22
SetBone	50.00	46.90
ST Stent	28.90	21.19
Vensica	13.37	11.91
Vessi	27.74	25.20
ZygoFix	49.71	42.41

Table B – Portfolio Companies of Trendlines Investments Israel	Outstanding Holdings %	Fully Diluted Holdings %
BeCapio	82.83	74.17
BioFishency	18.76	14.50
CoreBone	38.83	31.32
Dasyo	46.30	43.68
EcoPhage	45.30	38.77
GreenSpense	14.07	13.04
Harp	73.18	65.50
IBI Ag	34.21	31.31
Phytolon	27.90	26.95
PregnanTech	73.13	69.46
ProJini	48.98	43.78
Sol Chip	29.54	27.33
Solveat	50.92	40.02
STFix	77.14	64.79
TierraSpec	46.91	42.07
ViAqua	13.10	10.60
VisageX	47.79	45.80

GROUP STRUCTURE

Table C – Consolidated Companies of Trendlines Medical Singapore	Trendlines Medical Singapore Holdings		The Trendlines Group Holdings	
	Outstanding Holdings %	Fully Diluted Holdings %	Outstanding Holdings %	Fully Diluted Holdings %
Ayzer Sense	70.00	77.63	00.00	00.00
Continale	36.11	31.71	63.89	61.34
Dermacut	62.50	52.27	37.50	37.50
EndoSiQ	65.00	48.10	35.00	35.00
interVaal	16.12	45.46	80.60	46.07
Medulla	60.00	49.50	40.00	34.93
NasoTrak	68.24	51.92	31.76	29.15
NICE	80.00	62.02	20.00	19.60
OccuTrack	66.90	52.95	33.10	28.47
STeP	60.00	45.40	40.00	37.60
Szone	55.06	41.50	44.94	44.53
TendonPlus	62.50	50.78	37.50	35.28

Table D – Portfolio Companies of the Trendlines Agrifood Fund	Outstanding Holdings %	Fully Diluted Holdings %
Equinom	3.42	2.96
Insectta[1]	30.06	30.06
Agwa Farm	12.91	11.90
PlanetWatchers	11.08	8.14
AgriG8[2]	24.45	22.68
Phytolon	3.42	3.31
Peptobiotics	5.77	4.73

Table E – Portfolio Companies of the Bayer Trendlines Ag Innovation Fund[6]	Outstanding Holdings %	Fully Diluted holdings %
IBI Ag	46.59	42.64
EcoPhage	27.81	23.80
ProJini	31.39	28.06
TierraSpec	33.07	29.66

Table F – Portfolio Companies of the MaryLand/Israel Trendlines Fund	Outstanding Holdings %	Fully Diluted Holdings %
ProArc	3.60	3.03
GreenSpense	1.97	1.52

1. Also held by the Trendlines Agrifood Innovation Centre (5%).
2. Also held by the Trendlines Agrifood Innovation Centre (8.16%).
3. All companies held by Trendlines Investments Israel (34.21%, 38.77%, 43.78%, 42.07%, respectively).

CORPORATE GOVERNANCE REPORT

The Trendlines Group Ltd. ("**Trendlines**" or the "**Company**", and together with its subsidiaries, the "**Group**") recognizes the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company ("**Shareholders**"). Good corporate governance establishes and maintains a legal and ethical environment in the Group to protect the interests of the Shareholders and to maximize long-term Shareholders' value.

The Company has complied with the principles and provisions as set out in the Code of Corporate Governance 2018 (the "**2018 Code**") and the accompanying Practice Guidance (the "**Practice Guidance**"), as well as the SGX Catalist Rules and various corporate governance requirements under the Israeli Companies Law (the "**Israeli Companies Law**") with which the Company, as a company incorporated in Israel whose shares are publicly traded on a stock exchange, is required to comply.

This Corporate Governance Report outlines the Company's corporate governance practices that were adopted during the financial year ended 31 December 2023 (the "**FY2023**") with specific reference made to the principles and provisions of the 2018 Code and the Practice Guidance, where applicable. Where there are any deviations from the 2018 Code and/or the Practice Guidance, appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below.

1. BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 of the 2018 Code: Directors are fiduciaries who act objectively in the best interests of the company.

Practice Guidance 1 of the 2018 Code: Board's role.
The Board sets the appropriate tone from the top for the entire organisation where ethics and values are concerned. The Board works together with Management and oversees the business affairs of the Group.

The Board not only supervises Management's performance toward maximising long-term Shareholders' value, but also assumes responsibility for the Group's overall strategic plans, including financial and operational performance objectives, annual budget, financial performance reviews, compliance and accountability systems, and corporate governance practices.

In accordance with the Israeli Companies Law, every Director by virtue of his or her office occupies a fiduciary position with respect to the Company. A Director is not permitted to place him or herself in a situation where his or her interests conflict with his or her duty. Without derogating from the generality of the foregoing, Directors shall (i) refrain from any conflict of interest between the performance of their duties in the Company and the performance of their other duties or their personal affairs, (ii) refrain from any activity that is competitive with the Company's business, (iii) refrain from taking advantage of any business opportunity of the Company in order to obtain a personal gain for themselves or others, and (iv) disclose to the Company any information or documents relating to the Company's affairs which the Director received by virtue of his or her position as an office holder. As required under the Israeli Companies Law, if a Director knows that he or she has a personal interest in an existing or proposed transaction of the Company, then – without delay and not later than the Board's meeting at which the transaction is first discussed – he or she must disclose to the Company the nature of his personal interest, including any material fact or document. In addition, the Company examines together with the Directors in each Board or Board Committee meeting on whether they have personal interest or conflict of interest with respect to the resolutions on the agenda of such meeting. Generally, a Director who has a personal interest in a transaction (except with respect to a non-extraordinary transaction) which is considered at a meeting of the Board or any Board Committees (as defined below) of the Company may not be present at such a meeting or vote on that matter unless the Chairperson (or also referred to as Chair) of the Board or Board Committee (as applicable) determines that such Director should be present in order to present the transaction that is subject to approval. If a majority of the members of the Board or Board Committee (as applicable) have a personal interest in the approval of a transaction, then all Directors may participate in discussions of the Board or Board Committee (as applicable) on such transaction and vote on approval thereof, but Shareholders' approval will also be required for such transaction.

As at the date of this Corporate Governance Report, the Board of Directors of the Company (the "**Board**") comprises five Non-Executive Directors and Independent Directors. The Directors on the Board have the appropriate core competencies and diversity of skills, expertise, and experience to enable them, in their collective wisdom, to contribute effectively to the Group.

The composition of the Board as at the date of this Corporate Governance Report is as follows:

Name of Director	Designation	Date of Appointment	Date of Last Re-Appointment
Ms. Nehama Ronen	Independent Director and Interim Chair of the Board	7 June 2022	19 April 2023
Ms. Elka Nir	External Director (Lead Independent Director)	15 October 2015	4 March 2022
Mr. Sin Boon Ann	Independent Director	17 June 2020	19 April 2023
Professor Low Teck Seng	Independent Director	11 August 2022	19 April 2023
Ms. Sarit Zeevi	External Director (Independent Director)	31 January 2023	-

Note:

Ms. Nehama Ronen was appointed as interim Chair of the Board effective as of 8 March 2024 following the cessation of Mr Stephen Louis Rhodes and Mr David Todd Dollinger as co-Chairs and Executive Directors of the Company effective from 8 March 2024. Mr Stephen Louis Rhodes and Mr David Todd Dollinger stepped down from their positions as co-Chief Executive Officers of the Company effective 1 November 2023 in line with the Company's succession planning for its Board of Directors.

Provision 1.2 of the 2018 Code: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors to receive appropriate training to develop and maintain their skills and knowledge at the Company's expense.

The Board recognizes the importance of appropriate orientation training and continuing education for its Directors. All new Directors appointed to the Board are briefed on the Group's activities, strategic direction and policies, key business risks, and the regulatory environment in which the Group operates, as well as their statutory and other duties and responsibilities as Directors, and are provided with copies of the Group's applicable policies including, inter alia:

- Disclosure Policy;
- Securities Dealing Policy;
- Whistle Blowing Policy;
- Anti-Bribery and Anti-Corruption Policy;

- Diversity Policy
- 2018 Code of Business Conduct and Ethics; and
- Any other corporate policy(ies) as may be adopted by the Group, which is applicable to, or supervised, by the Board.

Each newly appointed Director, who has no prior experience as a director of a listed company on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), will be required to undergo relevant training as prescribed by the SGX-ST to acquire knowledge on the roles and responsibilities of a director of a listed issuer. The training costs are borne by the Company.

The Company provides a formal letter setting out the Director's duties and obligations to each newly appointed Director.

The Company's management updates the Board, at least on a quarterly basis, on business and strategic developments of the Group, and the Directors are also provided with updates and/or briefings from time to time by professional advisors in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislations and regulations, risk management and financial reporting standards. In addition, the Directors are also at liberty to approach the Company's management should they require further information or clarification concerning the Group's operations.

To ensure Directors can fulfil their obligations and continuously improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. Directors are encouraged to consult the Chair if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. The Company is responsible for arranging and funding the training for the Directors.

In addition, Directors are regularly updated in areas of Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Israeli Companies Law and industry-related matters, to keep themselves apprised of the latest corporate, regulatory, legal and other requirements.

Board members attended the following briefings and training during FY2023:

- Activities and developments on portfolio company, PregnanTech on 8 June 2023.
- Activities and developments on portfolio company, BioFishency on 8 June 2023.
- Activities and developments on portfolio company, Sol-Chip on 3 August 2023

In addition to the above briefings, Ms. Elka Nir, Ms. Nehama and Ms. Sarit Zeevi Ronen attended Sustainability E-Training for Directors conducted by ISCA Institute of Singapore Chartered Accountants and SAC Capital during FY2022 and FY2023, Mr. Sin Boon Ann and Professor Low Teck Seng attended Listed Entity Director Program - Environmental, Social and Governance Essentials Core Module conducted by Singapore Institute of Directors, in order to meet the enhanced sustainability reporting rules that mandated sustainability training for all directors of issuers listed on the SGX-ST.

CORPORATE GOVERNANCE REPORT

Provision 1.3 of the 2018 Code: Matters requiring Board approval.
Matters reserved for the Board's decision are specified in detail under the Israeli Companies Law and the Company's Articles of Association (the "**Articles**"), which provides that the Company's business and affairs are managed under the direction and oversight of the Board, including to exercise all powers and take all actions that are not specifically granted to the Shareholders of the Company. The Board determines the Company's policies and supervises the performance of duties and actions of the Chief Executive Officer (the "**CEO**") and is authorized, amongst other things, to:

- determine the Company's business plans, principles for funding them and the priorities between them;
- review the financial status and determine the credit that the Company is authorized to obtain;
- determine the Company's organizational structure and remuneration policy;
- resolve to issue series of debentures;
- report to the Company's Shareholders on the status of the Company's affairs and the results of its business operations at its annual general meetings ("**AGM**");
- appoint and remove the CEO;
- resolve whether to approve (or disapprove) certain transactions, which require the approval of the Board under the Israeli Companies Law or the Articles;
- issue securities and securities convertible into shares up to the limit of the Company's authorized share capital;
- resolve to affect a distribution in accordance with the Israeli Companies Law;
- provide the Company's opinion in respect of a special tender offer as stipulated in the Israeli Companies Law; and
- determine the minimum number of Directors who should have accounting and financial expertise.

Apart from the matters that specifically require the Board's approval as set forth above, the Board approves certain transactions of the Group exceeding certain threshold limits, while delegating authority for transactions below those limits to the Group's management and/or the Group's investment committees so as to optimize operational efficiency.

The Board has adopted a set of written internal guidelines which set out authorization and approval limits for financing and/or realization of interest transactions between the Company's incubators and their portfolio companies.

Provision 1.4 of the 2018 Code: Disclosure on delegation of authority by Board, to Board Committees.

Practice Guidance 1 of the 2018 Code: Board organization and support.
The Board may, subject to the provisions and limitations of the Israeli Companies Law, delegate any or all of its powers to committees, each consisting of one or more persons (all of whose members must be Directors), and it may from time to time revoke such delegation or alter the composition of any such committee. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board. Under Israeli Companies Law, a public company must have an audit committee and a remuneration committee, each comprised of at least three Directors and in which all the Company's External Directors shall be members. In addition, under the Catalist Rule 406(3)(e), a listed issuer must also establish one or more committees as may be necessary to perform the functions of an audit committee, a nominating committee, and a remuneration committee, with written terms of reference which clearly set out the authority and duties of the committees.

To assist the execution of its responsibilities, the Board has established three committees, namely, the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"), all collectively referred to hereafter as the (the "**Board Committees**").

The composition of the Board Committees as at the date of this Corporate Governance Report are as follows:

	AC	NC	RC
Chair	Ms. Elka Nir	Ms. Elka Nir	Ms. Sarit Zeevi
Member	Mr. Sin Boon Ann	Ms. Nehama Ronen	Professor Low Teck Seng
Member	Ms. Sarit Zeevi	Mr. Sin Boon Ann	Ms. Elka Nir

These Board Committees have been constituted with clearly written terms of reference setting out the basic guiding principles for the establishment and activities of the respective Board Committees. Each Board Committee reviews and re-assesses the adequacy of its applicable terms of reference on an annal basis and submits such evaluation, including any recommendations for change, to the Board for consideration, review, discussion, and approval. The Chair of the respective Board Committees will report to the Board on the outcome of the Committee meetings and their recommendations on the specific agendas mandated to the Committee by the Board. The Board is ultimately responsible for the final decision on all matters.

Please refer to Principles 4, 5, 6, 7, 9 and 10 in this Corporate Governance Report for further information regarding each of the Board Committees.

Provision 1.5 of the 2018 Code: Directors attend and actively participate in Board and Board Committee meetings.
In accordance with the Articles and the Israeli Companies Law, the Board may meet and adjourn its meetings according to the Company's needs and otherwise regulate such meetings and proceedings as the Board deems fit, provided however, that the Board meeting shall convene at least once every quarter.

In order to address the competing time commitments of the Directors and ensure that the Group's operations are not disrupted, the schedule of all Board and Board Committees' meetings is prepared and given to all Directors well in advance. Ad-hoc meetings are also convened when circumstances require, and/or resolutions of the Board in writing are circulated for matters that require the Board's approval.

In accordance with their applicable terms of references, the AC shall meet at least once every financial quarter, while the NC and RC shall meet at least twice in a financial year. Additional meetings are convened according to the Company's needs. Minutes of all meetings of the Board and Board Committees are recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the Directors present at the meeting and all resolutions adopted thereat. The Articles and the applicable terms of references of the Board Committees allow for the meetings of its Board and the Board Committees to be held by means of a conference call or any other device or means of communication, allowing each Director participating in such meeting to hear from all the other Directors. The Board and Board Committees may also make decisions by way of written resolutions. The dates for the Board, Board Committees' meetings and the AGM are scheduled by Management in advance in consultation with the Directors to assist them in planning their attendance. A Director who is unable to attend a Board meeting can still participate in the meeting by means of a conference call or any other device or means of electronic communication. We believe that contributions from each Director can be reflected in ways other than only focusing on the attendance of each Director at Board and/or Board Committee meetings. A Director would have been appointed on the strength of his or her caliber, experience, and stature, and his or her potential to contribute to the proper guidance of the Group and its businesses. To focus on a Director's attendance at formal meetings alone may lead to a narrow view of a Director's contribution. It may also not do justice to his or her contribution, which can be in many different forms, including management's access to him or her for guidance or exchange of views outside the formal environment of Board meetings. In addition, he or she may initiate relationships strategic to the interests of the Group.

The Directors' attendance at the meetings of the Board and Board Committees, as well as the frequency of such meetings held during FY2023 are as follows:

	Board	AC	NC	RC	AGM	SGM
Number of meetings held (*)	**5**	**3**	**2**	**3**	**1**	**3**
Name of Director	**Number of meetings attended**					
Mr. David Todd Dollinger (**)	5	–	–	–	1	2
Mr. Stephen Louis Rhodes (**)	5	–	2	–	1	2
Mr. Zeev Bronfeld (Retired on 16 October 2023)	3	–	–	–	–	–
Ms. Elka Nir	5	3	2	3	1	1
Mr. Sin Boon Ann	5	3	2	–	–	–
Ms. Nehama Ronen	5	3	2	–	–	–
Professor Low Teck Seng	4	–	–	2	1	1
Ms. Sarit Zeevi (Appointed on 31 Jan 2023)	5	3	–	3	–	–

Notes:

(*) Not including written resolutions.

(**) Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes stepped down from their position as co-CEOs of the Company effective 1 November 2023 and ceased as Executive Directors and co-Chairs of the Company effective 8 March 2024.

Provision 1.5 of the 2018 Code: Directors with multiple board representations give sufficient time and attention to the Company.

Practice Guidance 4 of the 2018 Code: Multiple directorships.
Where a Director has multiple board representations, the NC will evaluate if the Director is able to and has been adequately carrying out his or her duties as Director of the Company, taking into consideration the number of his or her listed company board representations, other principal commitments and whether sufficient time and attention had been given by such Director to the Company. Despite some of the Directors having multiple board representations, and principal commitments, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. In addressing competing time commitments faced when a Director serve on multiple boards, the NC has determined that each Director should hold not more than six (6) listed company board representations, unless otherwise approved by the NC under special circumstances. In accordance with the foregoing, and in light of the prominent and , vast business and legal experience which Mr. Sin Boon Ann brings to the Company as well as his high participation rate in the meetings of the Company, the NC and the Board have determined that despite Mr. Sin Boon Ann's directorship in 6 other listed companies, Mr. Sin Boon Ann is able to adequately carry out his duties as director of the Company.

The details of directorships and/or Chairmanships in other listed companies and other principal commitments for the Directors of the Company are set out in the Board of Directors section of the Annual Report. The NC has addressed the competing time commitments faced by Directors serving on multiple boards and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

Provision 1.6 of the 2018 Code: Management to provide directors with complete, adequate and timely information prior to meetings.

To ensure that the Group's operations are not disrupted, management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Ad-hoc meetings are also convened when circumstances require, and/or resolutions in writing of the Board are circulated for matters that require the Board's approval. It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position, and prospects. This responsibility extends to the half-year and full-year financial results announcements, other price-sensitive public reports and reports to regulators (if required).

To enable the Board to fulfill its responsibilities and make informed decisions, the Board obtains from the Company's management information which the Board deems adequate, complete and in a timely manner.

Management recognizes the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings.

Prior to each meeting, members of the Board and Board Committees are provided with the notices, agendas of their respective meetings and documentation containing background or explanatory information relating to the matters brought before the relevant meetings, including, where applicable, copies of disclosure documents, budgets, forecasts and internal financial statements. In respect of budgets, any material variance between the projections and actual results are disclosed and explained to the Board.

The Company's management, legal advisors and auditors, who can provide additional insight into the matters for discussion are also invited from time to time to attend such meetings, subject to and in accordance with the provisions of the Israeli Companies Law regarding such participation by non-members in such meetings.

The minutes of meetings of the Board and Board Committees are circulated to all Board or Board Committee members (where applicable) after the respective meetings for their review and approval.

The key management personnel (the "**KMP**") of the Company will also provide any additional material or information that is requested by the Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position, and prospects. Directors are also provided with the contact details of KMPs to facilitate direct and independent access to management.

Provision 1.7 of the 2018 Code: Directors have separate and independent access to management and company secretary.

All Directors have separate and independent access to the management, other KMPs, independent external auditors (Ernst & Young LLP (Singapore), a member of Ernst & Young Global ("**EY Singapore**") and Messrs. Kost Forer Gabbay & Kasierer ("**EY Israel**"), other independent professional advisors and the joint Company Secretaries namely, Ms. Sahar Farah, the Company's Israeli Secretary who was appointed on 1 November 2023 in place of Mr. Haim Brosh (who was appointed as the CEO and Interim Chief Financial Officer ("**CFO**") of the Company effective 1 November 2023), as well as the Company's Singaporean Secretary, Ms. Eunice Hooi Lai Fann, (collectively, the "**Company Secretaries**"), via telephone, e-mails and meetings. Any additional materials or information requested by the Directors are promptly furnished.

The role of the Company Secretaries includes, inter-alia, responsibility for ensuring that Board procedures are followed and that applicable rules and regulations are complied with, specifically, the Company's Israeli Secretary is responsible for ensuring the Company's compliance with applicable Israeli rules and regulations, and the Company's Singaporean Secretary is responsible with respect to the Company's compliance with applicable Singapore rules and regulations governing listed issuers on the SGX-ST. Under the direction of the Chair of the Board and CEO, the Company Secretaries' responsibilities also include ensuring good information flow within the Board and Board Committees and between management and Non-Executive Directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required.

At least one of the Company Secretaries is present at the meetings of the Board and Board Committees, subject to applicable laws.

Under the Articles, the appointment and removal of the Company Secretaries is subject to the approval of the Board, however the Board may delegate such authority to the CEO.

Under Israeli Companies Law, the Directors may, under special circumstances and in the furtherance of their duties, receive independent professional advice at the Company's expense subject to the approval by the Board or competent Court. No independent professional advice was obtained during FY2023.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 of the 2018 Code: NC adopts the definition of what constitutes as "independent director".
The Board considers an Independent Director (as defined in Practice Guidance 2) as one who is independent in conduct, character and judgement, and has no relationship with the Company, the Company's related companies, five percent (5%) Shareholders or the Company's officers, which could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgment with a view to the best interests of the Company. The independence of each Director is reviewed annually by the NC, in accordance with the definition of independence in the Catalist Rule 406(3)(d), Provision 2.1 and Practice Guidance 2 of the 2018 Code, and Israeli Companies Law.

For FY2023, none of the Company's Independent Directors has served as a member of the Board for more than nine consecutive years since the date of his or her first appointment. Ms. Elka Nir was first appointed to the Board as Independent Director on 15 October 2015, and the remaining Independent Directors, Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng and Ms. Sarit Zeevi were appointed to the Board on 17 June 2020, 7 June 2022, 11 August 2022 and 31 January 2023, respectively.

The NC has received and reviewed the annual confirmation of independence from each Independent Director as well as at their respective date of appointment for the newly appointed Independent Directors. Following the cessation of Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes as Executive Directors and co-Chairs of the Company effective 8 March 2024, the remaining five Board members are all Independent Directors. The NC believes that the Board shall be able to exercise independent judgment on corporate affairs and ensure that no one individual or groups of individuals dominate any decision making process. The NC is of the view that the Board has a good balance of Directors who have extensive business, financial, accounting and management experience who as a group provide core competencies necessary to meet the Group's objectives.

Each member of the NC had abstained from deliberations in respect of the assessment of his or her own independence.

The Independent Directors have confirmed their independence by providing the Company with written declarations in accordance with the Israeli Companies Law and the 2018 Code. The Board has reviewed and confirmed the independence of the Independent Directors, namely Ms. Elka Nir, Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng and Ms. Sarit Zeevi.

The Company has appointed Ms. Elka Nir to serve as its Lead Independent Director (please refer to Principle 3 of this Corporate Governance Report for further information on the Lead Independent Director).

Provisions 2.2 and 2.3 of the 2018 Code: Non-executive and independent directors make up majority of the Board.
Ms. Nehama Ronen, an Independent Director of the Company, was appointed as the interim Chair of the Board effective 8 March 2024, following the cessation of Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes as Executive Directors and co-Chairs of the Company. The current composition of the Board comprises 100% Independent Directors.

In line with Provision 2.2 and 2.3 of the 2018 Code, the current Board is made up of Non-Executive Directors.

In addition, under Israeli Companies Law, shareholders of public companies must elect, by a Disinterested Majority (as defined under the Israeli Companies Law), at least two members of the Board who qualify as "External Directors" under the Israeli Companies Law. External Directors must meet certain standards of independence at the time of their appointment and during the two-year period prior to their appointment. For further details on the External Directors, please refer to pages 297 to 300 of the Company's offer document dated 16 November 2015 and the SGM Circular dated 28 January 2022 and 23 December 2022.

Provision 2.4 of the 2018 Code: The Board and Board Committees are of an appropriate size.
In accordance with the Company's Articles, which was amended pursuant to shareholders' approval at the SGM held on 20 July 2022 (please refer the SGM Circular dated 28 June 2022), the Board must consist of at least five and not more than eleven Directors, including at least two External Directors required to be appointed under the Israeli Companies Law.

The Independent Directors are also the non-executive Directors of the Company. The Company's Non-Executive Directors, namely, Ms. Elka Nir, Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng and Ms. Sarit Zeevi are professionals from different professions and with working backgrounds, bringing to the Company their wealth of knowledge, business expertise and contacts in the business community and play an important role in helping the Company to shape its business strategy by allowing the Company to draw on their diverse backgrounds and working experience. Although the Non-Executive Directors are not involved in the day-to-day running of the Company's operations, they play an invaluable role in furthering the business interests of the Company by contributing their experience and expertise. In addition, all Non-Executive Directors also sit on the various Board Committees and provide constructive input and oversight of the Company and its management.

The Board believes that, considering the scope and nature of the operations of the Company, the Board and Board Committees are of an appropriate size, allowing the Board and Board Committees to facilitate efficient and effective decision making.

Practice Guidance 1 of the 2018 Code: Director competencies.

Practice Guidance 2: Board diversity policy.
As required under the Catalist Rule 710A, the 2018 Code and based on the recommendation of the NC, the Company has adopted a board diversity policy (the "**Board Diversity Policy**") that addresses the balance of gender, skills and experience, and any other relevant aspects of diversity, to enhance and strengthen the quality of the Board's composition and contribution to the Group.

CORPORATE GOVERNANCE REPORT

With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects included: gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence, and length of service.

The NC will continue to monitor the implementation of the Board Diversity Policy and report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy.

Under Israeli Companies Law, at least one of the External Directors must have "accounting and financial expertise" and the rest of the External Directors must have either "professional competence" or "accounting and financial expertise". The conditions and criteria for a director qualifying as having accounting and financial expertise or professional competence are set out in regulations adopted under the Israeli Companies Law.

The Board is responsible for determining the minimum number of Directors, who should have accounting and financial expertise. In determining the number of Directors required to have accounting and financial expertise, the Company's Board must consider, amongst other things, the type and size of the Company, the scope and complexity of its operations and the number of its Directors. Under Israeli Companies Law, at least two of the Directors must possess accounting and financial expertise and a public company must appoint at least one director of each gender. In this regard, the current Board composition provides a diversity of gender, core competencies and expertise to the Company as follows:

Balance and Diversity of the Board members (as at the date of this report)		**Number of Directors**	**Proportion of the Board**
(i)	**Core Competencies**		
	Accounting and Financial expertise	5	40% represented by: Ms. Elka Nir and Ms. Sarit Zeevi
	Legal or Corporate Governance/ Compliance expertise	5	60% represented by: Mr. Sin Boon Ann, Ms. Nehama Ronen and Ms. Sarit Zeevi
	Relevant Industry Knowledge and Sustainability expertise	5	40% represented by: Professor Low Teck Sengand Ms. Elka Nir
	Strategic Planning and Risk Management expertise	5	40% represented by: Ms. Nehama Ronen and Ms. Sarit Zeevi
(ii)	**Gender**		
	Male	2	40%
	Female	3	60%

The NC and the Board are cognizant of the recommendations as set out under Provision 2.4 and Practice Guidance 2 of the 2018 Code and are of the view that the above-mentioned practices adopted by the Company is consistent with the intent of Principle 2 of the 2018 Code. The Board aims to have an appropriate mix of members with complementary skills, core competencies and experience for the Company as required by the 2018 Code, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid group thinking and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.

The Board considers that its current Directors possess the necessary competencies, knowledge, and diversity to lead and govern the Group effectively, and that its current composition is sufficiently diverse. As such, save for the target of maintaining the existing high level of diversity of the Board, the NC is of the view that the Company does not need any additional targets or plans to further diversify its Board composition. Notwithstanding, the NC will continue to review the Board's composition on an annual basis in conjunction with its Board Diversity Policy and, where necessary, recommend such additional targets and timelines(if needed) for the Board's consideration and approval.

The Company benefits from the extensive business acumen of its Directors across all backgrounds. The mentioned benefit has been achieved with the current level of diversity. This forms the basis for the Board's position that the Board is sufficiently diverse.

The Board values on-going professional development and recognizes that it is important that all Directors receive regular training to serve effectively on and contribute to the Board. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment. Directors are encouraged to consult the Chair and Chief Executive Officer if they consider that they personally, or the Board as a whole, would benefit from specific education or training on matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs are borne by the Company. The Company would also arrange for the senior management to brief the Directors on the Group's business periodically.

The Directors' academic and professional qualifications are presented on pages 40 to 42 of this Annual Report. The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to evaluate the size, composition and role of the Board and Board Committees and the methods and processes for evaluating Board and Board Committees' effectiveness in fulfilling their duties and responsibilities.
- The NC shall identify gaps in the mix of skills, experience and other qualities required in an effective Board and recommend suitable candidates to fill these gaps.
- The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

Provision 2.5 of the 2018 Code: Regular meetings of non-executive directors.
The Independent Directors met or communicated amongst themselves without the presence of the management during FY2023. Led by the Lead Independent Director, the Independent Directors, constituting all of the members of the AC, shall meet at least once annually without the presence of the Company's management and Non-Independent Directors, to discuss matters of significance.

The Non-Executive Directors would meet as regularly as warranted, to discuss concerns or matters such as the effectiveness of management, without the presence of KMPs of the Company. During FY2023, the Non-Executive Directors met on 21 February 2023 without the presence of KMPs. The Chair of such meeting provides feedback to the Board and/or its Chair as appropriate.

CORPORATE GOVERNANCE REPORT

Chair and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and 3.2 of the 2018 Code: Role of Chair and Chief Executive Officer.
Ms. Nehama Ronen, an Independent Director of the Company, was appointed as the interim Chair of the Board effective 8 March 2024. The Chair of the Board leads the Board discussions, fostering constructive conditions that renders the Board effective. The Chair of the Board facilitates effective contribution and promotes high standards of corporate governance. The Chair of the Board performs a significant leadership role by providing clear oversight and guidance to the management on strategy and the drive to transform the Group's businesses.

Mr Haim Brosh was appointed as the CEO and interim CFO of the Company effective 1 November 2023. The CEO takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He proposes strategic proposals to the Board and implements decisions made by the Board.

The Chair and CEO are not related. Their roles are separate to ensure a clear division of responsibilities, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.3 of the 2018 Code: Appointment of Lead Independent Director

Practice Guidance 2: Role of the Lead Independent Director
The Company had appointed Ms. Elka Nir to serve as its Lead Independent Director since 2015.

The Lead Independent Director is available to the Shareholders where they have concerns and for which contact through the normal channels of the Chair and CEO or the Chief Financial Officer (or equivalent) has failed to resolve or is inappropriate or inadequate. The Lead Independent Director makes herself available to Shareholders via email at the email address (auditcommittee@trendlines.com) which can be found in the corporate website: https://www.trendlines.com/investors/investors-about/governance/. The Lead Independent Director is also responsible for leading the meetings of Independent Directors and providing feedback to the Chair on matters discussed at such meetings.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 of the 2018 Code: NC to make recommendation to the Board on relevant matters.
The NC is established, inter-alia, for the purpose of ensuring that the Company has a formal and transparent process for all Board appointments, performance evaluation and professional development.

The authority and duties delegated by the Board to the NC are detailed in written Terms of Reference approved by the Board, and include, inter alia:

- Developing corporate governance guidelines and principles for the Company;
- Identifying individuals qualified for nomination to the Board and reviewing and recommending the nomination or re-nomination of the Directors, having regard to the Director's contribution and performance;

- Considering the structure and composition of the Board and Board Committees;
- Evaluating the performance and effectiveness of the Board, the Board Committees and each of their members;
- Succession planning, including the appointment recommendations of Directors, Chair and CEO and senior management;
- Training and professional development program for Board members;
- Determining on an annual basis whether or not a Director is independent or whether an individual qualifies as an External Director in accordance with the Israeli Companies Law and the 2018 Code;
- Maintaining of the Board Diversity Policy, setting and monitoring the accompanying targets/plans and timeline for achieving the targets;
- Reviewing and approving any new employment of related persons and the proposed terms of their employment, subject to the requirements under Israeli Companies Law; and
- Recommending from time to time to the Board concerning such other matters, including matters related to corporate governance, as appropriate.

Each member of the NC shall abstain from all discussions and voting on any resolution in respect of the assessment of his or her performance or re-nomination as a Director.

Provision 4.2 of the 2018 Code: The NC comprises at least three directors, majority of whom, are independent.
During FY2023, the NC comprises four members, a majority of whom are Independent Directors, including the NC Chair. The Lead Independent Director is the Chair of the NC. On 8 March 2024, the composition of the NC was reconstituted and there are now three members, all of whom (including the NC Chair) are Independent Directors.

The names and roles of the members of the NC are set out on page 55 of this Annual Report.

Provision 4.3 of the 2018 Code: The Company discloses the process for the selection, appointment and re- appointment of directors to the Board.

Practice Guidance 4 of the 2018 Code: Selection, appointment and re-appointment process.
The NC considers and recommends to the Board the appropriate structure, size and needs of the Board, with regard to the appropriate skills mix, personal qualities and experience required for the effective performance of the Board. The NC also recommends all appointments and retirements of Directors and considers candidates to fill new positions created by expansion or vacancies that occur by resignation, retirement or for any other reasons.

Candidates are selected based on their character, judgment, business experience and acumen. The Company also considers Company-specific factors (such as size and composition of the Board, nature and scope of the Group's operations) in deciding on the capacity of Directors.

The NC is responsible for identifying individuals qualified for nomination to the Board and/or any Board Committee and reviewing and recommending the appointment or re-appointment of the Directors and/or members of the various Board Committees, having regard for amongst others: (i) the education, track record, experience and capabilities of the candidate; (ii) whether the candidate's competencies, skills and personal qualities are aligned with the Company's needs and any criteria for selecting new Directors established by the Board; and (iii) whether the candidate understands the demands and expectations of a Director of the Company.

With respect to new directors, the NC would usually consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions to source for a suitable candidate. The NC would meet or interview the candidates via teleconference or other means deemed appropriate to assess their suitability. With respect to re-appointment of Directors, the NC shall also assess the performance of the Director in accordance with performance criteria to be determined by the Board from time to time, and the current needs of the Board.

Subject to the NC's satisfactory assessment, the NC would recommend to the Board the proposed appointment or re-appointment of the Director to the Board and/or any Board Committee for its consideration and approval.

Pursuant to the Articles, each of the Directors, other than the External Directors (for whom special election requirements apply under the Israeli Companies Law as detailed below) will be appointed by a simple majority vote of holders of the Company's voting shares, participating and voting at an annual general meeting of the Shareholders. Other than External Directors, the Directors are divided into three groups with staggered three-year terms. Each group of Directors consists, as nearly as possible, of one-third of the total number of Directors constituting the entire Board (other than the External Directors). At each annual general meeting of the Shareholders, the election or re-election of Directors following the expiration of the term of office of the Directors of that group of Directors will be for a term of office that expires on the third AGM following such election or re-election, such that from 2016 and after, at each AGM, the term of office of only one group of Directors will expire (i.e. the term of office of Group I will initially expire at the AGM held in 2016 and thereafter at 2019, 2022,2025 etc.). Each Director will hold office until the AGM of the Shareholders in which his or her term expires, unless they are removed by a vote of more than fifty percent of the total voting power of the Shareholders present and voting at an AGM of the Shareholders or upon the occurrence of certain events, in accordance with the Articles.

The Directors (other than External Directors) are divided among the three groups as follows:

i. The Group I Directors are Mr. Sin Boon Ann and Ms. Nehama Ronen who were re-elected at the Company's AGM held on 19 April 2023 and their term of office will expire at the next AGM to be held in 2026 and when their successor will be elected and qualified or they will be re-elected

ii. The Group II Director : As of the date of this report, there are no directors classified under Group II.

iii. The Group III Directors includes Professor Low Teck Seng. Professor Low Teck Seng was re-elected at the Company's AGM held in April 2023, his re-election will be subject to shareholders' approval at the forthcoming AGM in April 2024.

During FY2023, the Board comprises seven members, a majority of which, namely, Ms. Elka Nir, Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng and Ms. Sarit Zeevi are Independent Directors in accordance with both the Israeli Companies Law and the 2018 Code (the "**Independent Directors**"). This enables the Management to benefit from their external, diverse and objective perspective of issues that are brought before the Board. It also allows the Board to interact and work with the Management through a constructive exchange of ideas and views to shape the strategic process.

External Directors are elected for an initial term of three years and may be elected for two additional three-year terms under the circumstances set forth under the Israeli Companies Law. External Directors may be removed from office only under limited circumstances set forth in the Israeli Companies Law.

Following the recommendation of the NC and the Board, the Shareholders had approved by way of a special majority (as required under Israeli Companies Law) the election of Ms. Elka Nir and Ms. Sarit Zeevi, both Independent Directors of the Company, to serve as External Directors of the Company. Ms. Elka Nir was elected at the SGM in 2016 and her directorship was extended at the SGM held in February 2019 and in March 2022. Ms. Elka Nir, being a NC member, had abstained from all discussions and decisions concerning her re-election.

Following the recommendation of the NC and the Board, Ms. Sarit Zeevi was first elected at the SGM held in January 2023.

At the Company's forthcoming AGM to be held in April 2024, Professor Low Teck Seng is due for re-election.

Provision 4.4 of the 2018 Code: NC to determine director independence annually.
The NC is also in charge of determining annually whether or not a Director is independent. Annually, each Independent Director is required to complete a checklist to confirm his or her independence. The checklist is drawn up based on the guidelines provided in the 2018 Code and the Catalist Rule. The Board concurred with the NC's view that the five Independent Directors are independent, taking into account the circumstances set out in Catalist Rule 406(3)(d), Provision 2.1 and Practice Guidance 2 of the 2018 Code.

Practice Guidance 4 of the 2018 Code: Appointment of alternate Directors.
Alternate directors will be appointed as and when the applicable Board member deems necessary. The Company currently does not have any alternate directors.

Provision 4.5 of the 2018 Code: Key information regarding Directors.
The key information about the Directors, including their academic and professional qualifications, appointment dates and directorships held in other listed companies for the past three years and principal commitments, are set out on page 44 of this Report.

Information on the Directors' shareholding in the Company and its related corporations is set out on page 94 of this Report.

The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:

- In the case of a Director who has multiple board representations or a significant number of principal commitments, the NC shall consider whether he or she is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the number of his or her listed company board representations and other principal commitments;
- Whether such Director had attributed sufficient time and attention to the Company; and
- Annual confirmations by each Director on his or her ability to devote sufficient time and attention to the Company's affairs, having regard to his or her other commitments.

Having assessed the capacity of the Directors based on factors disclosed above, the Board is of the view that other than in special circumstances, a maximum of 6 listed companies board representations would allow Directors to have increased exposure to different boards and broaden their experience and knowledge in relation to Board matters, hence ultimately benefitting the Company.

Each Director serves less than 6 listed company board representations, excluding Mr. Sin Boon Ann, who serves as director on 6 other listed companies (excluding the Company), as mentioned in the above paragraph under Provision 1.5 and Practice Guidance 1.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties effectively for FY2023.

Provision 4.1(a) of the 2018 Code: Succession Planning
On 7 August 2017, the Board of Directors approved a Succession Plan for the Company following the NC recommendation (the "**Succession Plan**"). In December 2021 and on 21 February 2024, the Board reviewed and updated the Succession Plan for the Chair and the CEO, as well as the KMP.

While reviewing the Succession Plan, the Board has in mind the Company's strategic priorities and the factors affecting the long-term success of the Company.

The succession plan focuses on providing short term as well as long-term solutions for the Company's continued functioning in the event of the termination of one or both of the Chair and the CEO, as well as KMP under unforeseen circumstances.

The succession plan focuses on the appointment of a successor for each Chair and the CEO and KMP (temporary or permanent) and takes note of critical tasks that must be considered immediately upon termination of the of one or both of the Chair and the CEO, as well as KMP.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

Provisions 5.1 and 5.2 and Practice Guidance 5 of the 2018 Code: Board to implement process to address how the Board's performance may be evaluated and disclose the process in annual report.
The NC is responsible for evaluating the effectiveness of the Board and Board Committees as a whole, by assessing the contribution of the Chair and each individual Directors to the effectiveness of the Board and the Board Committees, in accordance with a formal process recommended by the NC and implemented by the Board. The performance evaluation procedure established by the NC includes, inter alia, assessment of the effectiveness of the Board's performance as a whole and the performance of each individual Board Committee (AC, NC and RC) in accordance with predetermined evaluation criteria approved by the Board pursuant to the recommendation of the NC. The Board, in accordance with the recommendations of the NC, agreed that collective evaluation in lieu of individual evaluation is a more appropriate method of evaluation for the Company, as it provides for more effective and objective input (and whereas individual evaluation can inhibit Board dynamics and group performance). As such, no individual assessment on the contribution by the Chair and each individual Director to the effectiveness of the Board and Board Committees has been conducted.

The Board has not engaged any external facilitator in conducting the assessment of the performance of the Board and the Board Committees. If and where relevant, the NC will consider such an engagement.

The table below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees. The performance evaluation is carried out on an annual basis and is designed to assess the effectiveness of the Board and the Board Committees, as well as to enable the NC Chair and Board to identify the areas of improvement or enhancement which can be made to the Board and the Board Committees.

Performance criteria for the Board and Board Committees are as follows:

1. Board composition and Board Committees' memberships
2. Board conduct of affairs, including procedures and access to information
3. Board and Board Committees processes
4. Training and Resources
5. Remuneration framework
6. Board accountability
7. Internal controls and Risk management systems
8. Multiple Board Representation, Board Diversity and Succession planning

For FY2023, the review process was conducted by the Company's Singaporean Secretary by preparing a performance evaluation questionnaire to be completed by each Director and each Board Committee member. The detailed process is as follows: -

1. All Directors individually complete separate evaluation questionnaires meant for the Board and the respective Board Committees on the performance and effectiveness of the Board and the respective Board Committees;

2. The feedback and scores submitted by each Director and each Board Committee member is then collated by the Company's Singaporean Secretary and a separate report is prepared and submitted to the NC Chair in respect of each AC, NC, RC and Board performance evaluation and the areas with low scores requiring improvement highlighted to the NC Chair; and

3. The NC will discuss the reports and the results of the performance evaluation for the Board and each Board Committee during the NC meeting, including identifying areas for improvement and recommending appropriate follow-up actions plans in relation thereto.

The NC, having reviewed the overall performance of the Board and Board Committees in terms of their role and responsibilities and the conduct of their affairs as a whole, is of the view that the performance of the Board and Board Committees have been satisfactory and that the Board and Board Committees have met their performance objectives in FY2023.

2. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.2 of the 2018 Code: RC comprises at least three directors and the majority of whom are independent.
Under the Israeli Companies Law, a public company must have a RC comprised of at least three directors, including all of the External Directors who must be the majority members and one thereof must serve as the Chair of the committee. All the remaining members must receive remuneration for their service as Directors of the Company, in accordance with the regulations under the Israeli Companies Law governing the remuneration of the external directors. The RC must not include the Chair of the Board of Directors, any controlling shareholder or a relative of a controlling shareholder or any director employed by the Company or by the Company's controlling shareholder or by an entity under the control of the Company's controlling shareholder, or a Director who provides services, on a regular basis, to the Company, to its controlling shareholder or to any entity under the control of such controlling shareholder, as well as any Director whose principal livelihood derives from the Company's controlling shareholder.

The RC is comprised of three members, all of whom are Independent Directors, including the RC Chair. The names of the members of the RC are set out on page 55 of this Report.

Provision 6.1 of the 2018 Code: The Board establishes RC to review and make recommendations.

Practice Guidance 6 of the 2018 Code: There should be written terms of reference which clearly spell out authority and duties of the RC.

Provision 6.3 of the 2018 Code: RC considers all aspects of remuneration, including termination terms, to ensure they are fair.
The authority and duties delegated by the Board to the RC are detailed in the written terms of reference approved by the Board, and include, inter alia:

- Reviewing and making recommendations to the Board with respect to the approval of the compensation policy with respect to the terms of office and employment of office holders and any extensions thereof;
- Periodically reviewing the implementation of the compensation policy and providing the Board with recommendations with respect to any amendments or updates thereto;
- Reviewing and resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders;
- Determining whether or not to exempt a transaction with a candidate for CEO from Shareholders' approval because such approval would preclude the engagement with such candidate, provided that such transaction is consistent with the compensation policy;
- Overriding a determination of the Shareholders in relation to certain compensation related issues, subject to the approval of the Board and under special circumstances, such as, the approval of the Company's compensation policy, after such compensation policy was reconsidered by the RC and on the basis of detailed reasons, the RC and thereafter the Board determined that the adoption of the compensation policy is in the best interests of the Company despite the objection of the Shareholders;

- The establishment of key human resources and compensation policies, including all incentive and equity-based compensation plans;
- Evaluating the Company's executive and senior management; and
- Recommending to the Board a framework of remuneration for the Directors and other office holders, including KMPs, and determining specific remuneration packages for each Director and office holder, including, without limitation, directors fees, salaries, allowances, bonuses, benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of office, service or appointment), incentive payments, options and share- based incentives and awards.

In addition, the RC will perform an annual review of the remuneration of both employees who are substantial shareholders of the Company and employees related to the Directors and/or substantial shareholder of the Company (as defined in the Catalist Rules) to ensure that their remuneration packages are fair and reasonable and in line with the Company's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees.

Each member of the RC shall abstain from all discussions and voting on any resolutions in respect of his or her remuneration package or that of employees related to him or her. The remuneration of the External Directors is also subject to the limitations under the Israeli Companies Law and applicable regulations thereunder.

Under the Israeli Companies Law, within nine months following a company's public listing, a compensation policy with respect to the terms of office and employment of office holders must be approved by the board of directors of such company, after considering the recommendations of its remuneration committee, and by a special majority of the company's shareholders. The Company had at the SGMs held on 2 August 2016, on 13 February 2019, and on 22 April 2021 obtained Shareholders' approval (by the special majority) for the adoption of the compensation policy for the Company's executives and Directors ("**Compensation Policy**"). The Compensation Policy must be reviewed from time to time by the RC and the Board, in order to consider its adequacy, and must be reapproved in accordance with the above-mentioned approval process at least once in every three years – i.e., by 22 April 2024.

The following is a brief overview of the Compensation Policy (capitalized terms used herein shall bear the same meanings ascribed to them in the Compensation Policy):

- Global Strategy Guidelines: The Company's business success largely relies on the excellence of its human resources at all levels. In particular, the Company believes that the Company's ability to achieve its goals requires it to recruit, motivate and retain a high quality and experienced leadership team (including Directors). Therefore, the Company believes in creating a comprehensive, customized compensation policy for the Office Holders which shall enable the Company to attract and retain highly qualified senior leaders.
- Compensation Instruments: Fixed components, which shall include annual base salary and benefits; Variable components, which may include cash incentives and equity based compensation; separation package; Directors & Officers (D&O) insurance, exculpation and indemnification; and other components, which may include amongst others: change in control payment, special bonus, signing or retention bonus, exit bonus, relocation benefits, study opportunities, leave of absence, etc.
- Fixed Compensation: The Compensation Policy provides guidelines and criteria for determining the fixed compensation of the Office Holders, which includes an annual maximum base salary and benefits for Executives.

- Cash Incentives: The Compensation Policy provides for Management By Objectives ("**MBO**") payments, which are cash payments to the Executives that vary based on the Company's and unit's performance and on each Executive's individual performance and contribution to the Company, in accordance with rules or formulae for calculation of the MBO payment once actual achievement of the objectives is known (as predetermined annually by the Board and RC), and subject to the guidelines and criteria, including a maximum annual MBO bonus, set forth in the Compensation Policy. In addition, the Compensation Policy provides for payment of an Exit Bonus (as defined herein) in connection with an Exit Event (as such term is defined in the Compensation Policy) relative to the Company's portfolio companies, as may be approved by the Board and RC and in the amount which shall be calculated based on the proceeds actually received by the Company as a result of such Exit Event as set forth in the Compensation Policy and subject to the terms and caps determined therein for such Exit Bonus.

- Equity-Based Compensation: The Compensation Policy provides for the provision of equity-based compensation in the form of options to purchase shares which vest over a three-year period (unless determined otherwise by the Board of Directors), and which may be awarded to Executives and Directors pursuant to the guidelines and criteria, including caps on the equity value of such grants, as set forth in the Compensation Policy.

- Separation Package: The Compensation Policy provides guidelines for determining advance notice period and separation packages for Executives, including caps thereon.

- Others: The Compensation Policy provides guidelines and criteria for additional compensation components, which includes relocation, leave of absence and one-time cash or equity incentives.

- Clawback Policy: The Compensation Policy provides that in the event of an accounting restatement, the Company shall be entitled to seek reimbursement from Executives and Directors of any payment made due to erroneous restated data that would not otherwise have been paid or in exceptional circumstances of misconduct resulting in financial loss to the Company.

- Directors' Remuneration: The Compensation Policy provides guidelines for providing compensation to Directors.

- Indemnification Exculpation and Insurance: The Compensation Policy provides guidelines and criteria for providing Executives and Directors with indemnification, exculpation and insurance.

Provision 6.4 of the 2018 Code: The Company discloses the engagement of any remuneration consultants.
The RC has unrestricted access to the Company's independent external auditors and is authorized by the Board to seek any information it requires from any employee of the Company for the purpose of performing its duties. In addition, the RC has the sole authority, without having to seek Board or any other approval, to obtain, at the reasonable expense of the Company, advice and assistance services in any of the matters which are within its scope of responsibilities, from internal or external legal, accounting or other advisors (including compensation consultants), as it determines necessary in its sole discretion, to provide oversight on work performed by such advisor, to determine fees for such services and to terminate such advisors' services.

The RC members are familiar with executive compensation matters derived from their past business experiences. The RC may from time to time seek advice from external remuneration consultants, at its discretion.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Practice Guidance 7 of the 2018 Code: The Company's remuneration framework should be tailored to the specific role and circumstances of each director and key management personnel.
The Compensation Policy serves as the basis for decisions concerning the terms of employment or engagement of the Company's office holders, including exculpation, insurance, indemnification or any monetary payment, obligation of payment or other benefit in respect of employment or engagement.

The Compensation Policy relates to certain factors, including advancement of the Company's objectives, the Company's business plan and its long-term strategy, and creation of appropriate incentives for office holders. It also considers, amongst other things, the Company's risk management, size and the nature of its operations as well as the following additional factors and principles:

- The education, skills, expertise, professional experience and accomplishments of the relevant office holder;
- The office holder's roles and responsibilities and prior compensation agreements with him or her;
- The ratio between the cost of the employment terms offered to the office holder and the cost of salary of the Company's other employees, including those employed through manpower companies, and in particular the relation to the average pay and median pay of such employees;
- The impact of disparities in salary upon work relationships in the Company;
- The possibility of reducing variable compensation at the discretion of the Board; and the possibility of setting a limit on the exercise value of non-cash variable equity-based compensation;
- As to severance compensation, the period of service of the office holder, the terms of his or her compensation during such service period, the Company's performance during that period of service, the office holder's contribution towards the Company's achievement of its goals and the maximization of its profits, and the circumstances under which the person is leaving the Company;
- The link between variable compensation and long-term performance and measurable criteria;
- The relationship between variable and fixed compensation, and the ceiling for the value of variable compensation;
- The conditions under which an office holder would be required to repay compensation paid to him or her if it was later shown that the data upon which such compensation was based was inaccurate and was required to be restated in the Company's financial statements;
- The minimum holding or vesting period for variable, equity-based compensation; and
- The maximum limits for severance compensation.

Practice Guidance 7 of the 2018 Code: The Company's remuneration framework should be tailored to the specific role and circumstances of each director and key management personnel.
The remuneration received by the KMPs (including the CEO of the Company) consisted of fixed and variable compensations. Variable compensation is determined based on the level of achievement of corporate and/or individual performance objectives and/or all or part on discretion.

The Company's RC and Board had on 17 November 2022 approved the 2023 MBO Plan for its KMP, and at the SGM held on 19 April 2023, obtained Shareholders' approval (by the special majority) for the adoption of such 2023 MBO Plan for the Company's CEOs serving at the time, Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes. For further information regarding the 2023 MBO Plan, please refer to the Company's circular to the Shareholders dated 14 March 2023.

Under the 2023 MBO Plan, the Company has determined certain performance targets used to determine the KMP's eligibility to the Annual Operational Bonus (as defined under the Company's Compensation Policy) (the "**Performance Targets**"). The Performance Targets comprised 2 Company targets (including relating financial performance and business development) and, except with respect to the Company's CEOs serving at such time (whose measurable Performance Targets include Company targets only), also personal measurable targets relating to the KMP's specific responsibilities in the Company. Additional of Personal non-measurable targets is determined by the Company Board and RC (which, with respect to the Company's CEOs, do not exceed 20% of the Company's CEOs total Performance Targets).

The Company's 4 KMPs did not meet the bonus payment threshold for the 2023 MBO . The Board was updated on this, and hence, no bonus payments were made to any of the Company's 4 KMPs in 2023.

Provision 7.1 of the 2018 Code: Long-term incentive schemes are encouraged.
The Company seeks to advance the interests of the Company by affording to its selected employees and Directors, including Affiliated Companies (as defined under The Trendlines 2015 Share Option Plan and the Sub-Plan (the "2015 Plan"), who have contributed or will contribute to the growth and performance of the Company or its Affiliated Companies, and who satisfy the eligibility criteria set out in the 2015 Plan, an opportunity to acquire a proprietary interest in the Company or to increase their proprietary interest therein, as applicable, by the grant in their favor, of options, thus providing such employee or director an additional incentive to remain or retain employed or engaged by the Company or Affiliated Company, as the case may be, and encouraging such employee or director's sense of proprietorship and stimulating his or her active interest in the success of the Company and its Affiliated Companies by which he or she is employed or engaged.

For this purpose, following the approval of the Shareholders at a SGM of the Company, Shareholders approved certain amendment to the 2015 Plan. Information on the 2015 Plan and the information required under Catalist Rule 851 is set out in the Directors' Report on pages 94 to 101 and the Financial Statements on pages 103 to 167 of this Report.

During FY2023, the Company has issued options in accordance with the 2015 Plan as follows:

An aggregate of 5,785,000 options, while 2,250,000 options at the exercise price of S$ 0.096 to grantees on 3 February 2023 and 3,535,000 options at the exercise price of S$ 0.097 to grantees on 8 June 2023 for further details please see page 162 on the Financial Statements.

Provision 7.2 of the 2018 Code: Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities.

Provision 7.3 of the 2018 Code: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company.
According to the regulations promulgated under the Israeli Companies Law concerning the remuneration of external directors (the "**Remuneration Regulations**"), external directors are generally entitled to an annual fee, a participation (attendance) fee for each meeting of the board of directors or any committee of the board of directors on which he or she serves as a member, and reimbursement of travel expenses for participation in a meeting which is held outside of the external director's area of residence and of all direct expenses incurred in connection with attending meetings outside such external director's home country, provided that the said reimbursement of expenses is based on the same criteria as the reimbursement paid by the company to the non-external directors and who are not residents of the country where the meeting takes place. The minimum, fixed and maximum amounts of the annual and participation fees are set forth in the Remuneration Regulations, based on the classification of the company according to the amount of its capital. The participation fees paid for participation in a board of directors' meeting through the phone, or through any other means of communication shall be sixty percent of the ordinary participation fees. The participation fees paid with regard to the adoption of a resolution in writing (without convening an actual meeting) shall be fifty percent of the ordinary participation fees. According to the Remuneration Regulations, the remuneration committee and shareholders' approval may be waived if the annual and participation fees to be paid to the external directors are within the range of the fixed annual fee or the fixed participation fee and the maximum annual fee or the maximum participation fee for the Company's level, respectively. However, remuneration of an external director in an amount which is less than the fixed annual fee or the fixed participation fee, respectively, requires the approval of the remuneration committee, the board of directors and the shareholders (in that order). The remuneration of external directors must be made known to the candidate for such office prior to his or her appointment and, subject to certain exceptions, will not be amended throughout the three-year period during which he or she is in office. A company may compensate an External Director in shares or rights to purchase shares, other than convertible debentures which may be converted into shares, in addition to the annual remuneration, the participation fee and the reimbursement of expenses, subject to certain limitations set forth in the Remuneration Regulations.

Under the Israeli Companies Law, the terms of office and employment for other members of the RC that are not External Directors should be the same as the terms of office of the External Directors.

The Directors are also entitled to be paid reasonable travel, hotel and other expenses expended by them in attending board meetings and performing their functions as directors of the Company, according to the policy of the Company from time to time and subject to obtaining required corporate approvals.

The Compensation Policy provides that in the event of an accounting restatement, the Company shall be entitled to seek reimbursement from the "Office Holders" of the Company of any payment made due to erroneous restated data that would not otherwise have been paid or in exceptional circumstances of misconduct resulting in financial loss to the Company.

This remuneration to the Directors under the Remuneration Regulations provides reasonable compensation for the time spent by the Directors to fulfil the duties and promote good corporate governance while not creating conflict of interest and unreasonable risks to the Company.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.2 of the 2018 Code: Remuneration of Directors and top 5 key management personnel.
The breakdown for the remuneration paid to each individual Director of the Company for FY2023 is as follows:

Directors Remuneration						
Name	**Fees (%)**	**Salary (%)**	**Bonus (%)**	**Other Benefits (%)(*)**	**Fair Value of Share Option (%)(**)**	**Total (S$)**
Executive Directors						
David Todd Dollinger (Chair and Chief Executive Officer)(***)	–	71.16	16.04	3.95	8.84	954,545
Steve Rhodes (Chair and Chief Executive Officer)(***)	-	69.52	17.39	3.50	9.59	880,166
Non-Executive Directors(****)						
Zeev Bronfeld(*****)	100	–	–	–	–	45,870
Elka Nir	100	-	-	-	-	41,918
Sin Boon Ann	100	-	-	-	-	26,088
Nehama Ronen	100	-	-	-	-	39,141
Low Teck Seng	100	-	-	-	-	24,240
Sarit Zeevi	100	-	-	-	-	39,731

Notes:

(*) Refers to benefits in kind such as car, etc., made available to office holders as appropriate.

(**) Refers to the value of the options granted as of the date of grant (based on Binomial Option Pricing Model) per year of vesting (taking into account the cost of previous vesting grant for that year).

(***) The salary, benefits and other compensation under the employment agreement between the parties relate only to the position as Chief Executive Officers. There is no additional remuneration for the office as previous Chairs of the Board. Mr. David Todd Dollinger and Mr. Steve Rhodes, had ceased as Executive Directors and co-Chairs of the Company effective 8 March 2024.

(****) Excluding amounts the Company had expended for expenses (including business travel) reimbursed to its directors.

(*****) The fees also include participation fees for each meeting of the board of directors or any committee of the board of directors of the Group's subsidiaries on which he serves as a member, all as approved according to the requirements under the Remuneration Regulations and additional regulations promulgated under the Israeli Companies Law with respect to relief in approval of certain related party transactions (the "**Relief Regulations**"). Mr. Zeev Bronfeld had stepped down from the Board and from the Company's subsidiary boards as of 16 October 2023.

There were no termination, retirement or post-employment benefits granted to the Directors and CEOs in FY2023.

The breakdown for the remuneration paid to each of the top 5 KMP (who are not Directors) for FY2023 is as follows:

Name	Salary (%)	Bonus (%)	Other Benefits (%)(*)	Fair Value of Share Option (%)(**)	Total (S$)
Haim Brosh(***)	69.74	17.01	8.69	4.56	602,943
Barak Zinger	68.30	19.40	6.37	5.93	462,959
Eric Loh	75.21	17.89	-	6.90	423,029
Nitza Kardish	73.18	15.77	5.90	5.16	531,735
Kobby Greenberg(****)	69.19	8.58	9.34	12.88	344,946
Aggregate remuneration					**2,365,611**

Notes:

(*) Refers to benefits in kind such as car, etc., made available to office holders as appropriate.

(**) Refers to the value of the options granted as of the date of grant (based on Binomial Option Pricing Model) per year of vesting (taking into account the cost of previous vesting grant for that year).

(***) Haim Brosh was the CFO of the Company up to 31 October 2023 and was appointed as the CEO and Interim CFO (“CFO”) of the Company effective 1 November 2023.

(****) Kobby Greenberg is no longer with the Company as of 29 February 2024.

The annual aggregate remuneration paid to the top 5 KMP (who are not Directors or the CEOs) for FY2023 was S$2,365,611.

Save as disclosed above, there are no employees of the Group who are Substantial Shareholders of the Company or are immediate family members of a Director or the CEO or Substantial Shareholder(s) of the Company whose remuneration exceeds S$100,000 during FY2023. “Immediate family member” means spouse, child, adopted child, stepchild, brother, sister, and parent.

Provision 8.3: Details of Employee Share Option Scheme.
Please refer to the disclosures above on Provisions 8.1-8.2 of the Corporate Governance Report, the Directors’ Report on pages 94 to 102 and the Financial Statements on pages 160 to 163 of this Annual Report for information regarding the 2015 Plan.

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risks and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 of the 2018 Code: The Board determines the nature and extent of the significant risks which the Company is willing to take.

The Board is responsible for the overall risk governance, risk management and internal control framework of the Company and is fully aware of the need to put in place a system of internal controls within the Company to safeguard shareholders' interests and the Company's assets, and to manage risks and accordingly is of the opinion that it is not beneficial to form a special Risk Committee for such matters. The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and levels of risk tolerance. The Company's internal control structure consists of policies and procedures established to provide reasonable assurance to safeguard the assets of the Company against material misstatement, risks or loss. The Company's internal controls extend beyond the accounting and finance function – its scope addresses the financial, operational, compliance and information technology risks.

The Company has instituted an internal control framework covering financial, operational, compliance and information technology, as well as risk management policies and systems. The framework defines the roles and responsibilities of business units such as the Company's Incubators and other units. The design and implementation of risk management and internal control system are managed and reviewed by senior management. Key documentation including delegation of authority, control process and operational procedures are disseminated to the Group's employees.

The Company's Israeli Company Secretary serves as the Compliance Officer of the Company for the day to day administration of the Company's (i) Securities Dealing Policy; (ii) Anti Bribery Policy; and (iii) 2018 Code of Business Conduct Policy, with the AC being responsible for the compliance, oversight, and maintenance of the said policies.

The AC reviews the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and the risk management policies and systems established by the Group.

The Company is committed to: (a) ensuring that its Shareholders and the market are provided with timely and adequate disclosure of material information in relation to the Company; (b) complying with the continuous disclosure obligations contained in the relevant laws, regulations, and rules in Singapore; and (c) ensuring that all Shareholders have fair and equal opportunities to receive information issued by the Company.

One of the Board's principal duties is to promote and protect the long-term value and returns to the Shareholders and accept that it is accountable to the Shareholders and adopts best practices to maintain Shareholders' confidence and trust. The Company is required to release unaudited half-year and full-year financial results pursuant to the Catalist Rules. The Company's announcements are released via SGXNET within the respective periods stipulated in the Catalist Rules after review and approval by the Board and the Company's sponsor. In presenting results of financial statements, the Board strives to provide the Shareholders with detailed analysis and a balanced and understandable assessment of the Group's performance, financial position and prospects.

The Board also reviews legislation and regulatory compliance reports from management to ensure the Group's compliance with the relevant regulatory requirements.

The Company's CEO and Interim Chief Financial Officer provide management accounts and such explanation and information to the Board on a regular basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Group's performance, position, and prospects.

The Board is of the opinion that monthly management accounts is not required for the time being as sufficient information is being provided to the Board on a timely and regular basis, which commensurate with the current level of Group activities.

Provisions 9.2 (a) and 9.2 (b) of the 2018 Code: The view of the Board and the AC regarding financial records, risk management and internal controls.
The Board with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective during FY2023 and as of 31 December 2023. The basis for the Board's views are as follows:

1. Assurance has been received from the CEO and the Company's controller in respect of (a) proper maintenance of financial records and financial statements to give a true and fair view of the Company's operations and finances for FY2023; and of (b) adequacy and effectiveness of the Company's risk management and internal control systems;

2. Management completed a scoping and risk assessment overview to identify the significant accounts and related classes of transactions and processes, in respect of internal controls over financial reporting, and has evaluated the design and operating effectiveness of such internal controls;

3. KMP regularly evaluates, monitors, and reports to the AC on material risks, if any;

4. Discussions were held between management, AC and the external auditors to review and address any potential concerns; and

5. An enterprise risk assessment and a fraud risks survey were conducted to identify and mitigate significant risks.

The Company is placing emphasis on sustainability and implementing appropriate policies and programs. The sustainability report of the Company for FY2023 is set out on pages 22 to 39 of this Annual Report.

The internal controls system put in place by the Company's management provides reasonable assurance against material financial misstatements or loss, reliability, relevance and integrity of information (including financial information) completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations. However, the Board also notes that such assurance cannot be absolute in view of the inherent limitations of any audit and internal control systems against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities.

Audit Committee

Principle 10: The Board has an Audit Committee (AC) which discharges its duties objectively.

Provision 10.1(e) of the 2018 Code: AC to review the adequacy, effectiveness, independence, scope, and results of the external audit of the company.

Provision 10.5 of the 2018 Code: AC meets with the external auditors and internal auditor without the presence of the Management.
The AC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors as well as by reviewing the non-audit services provided by the Company's independent external auditors, namely EY Singapore, as set out below and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors.

The AC met with the external auditors four times during FY2023, without the presence of the Management. These meetings enable the external auditors to raise issues encountered in the course of their work directly to the AC.

Fees Paid/Payable to EY for FY2022	(S$'000)	% of total
Audit fees	355	79
Non-audit fees: (Tax advice, Sustainability advisory services, Executive Compensation advisory services, Office of Chief Scientist advisory services and enterprise risk management related advisory services.)	95	21
Total	450	100

The non-audit services rendered by EY during FY2023 were not substantial (less than 50% of the aggregate fees paid/payable to EY. EY Israel had been the Company's auditor since the Company's incorporation. In compliance with the amendments made to the Catalist Rules 712(2)(a) and 712(2)(b) on 12 February 2021, the Company had, appointed EY Singapore as its auditor for FY2023 at the Company's AGM held on 19 April 2023.

For FY2023, EY Singapore has been appointed to audit the financial statements of the Company, its significant subsidiaries and associated companies. The Company confirms its compliance with the Catalist Rules 712 and 715.

The AC and Board, having taken into consideration various factors, including the adequacy of the resources, the audit engagements, and the experience of EY Singapore, the number and experience of the supervisory and professional staffs who will be assigned to the audit of the Company's accounts and EY Singapore's audit proposal submitted to the Company, are satisfied that the appointment of EY Singapore meets the audit requirements of the Group and will not compromise the standard and effectiveness of the audit of the Company and the Group.

Accordingly, the AC has recommended to the Board the re-appointment of EY Singapore as external auditors of the Company for the ensuing year, subject to shareholders' approval at the forthcoming AGM to be held in April 2024.

Provision 10.1(f) of the 2018 Code: AC to review the existence of the whistle-blowing policy.
The Company has adopted a whistle blowing policy and designated an independent function to investigate whistleblowing reports made in good faith (the "**Whistle Blowing Policy**") which encourages employees and/or stakeholders, who have serious concerns about any misconduct or wrongdoing relating to the Company and its officers to voice such concerns in confidence. The Whistle Blowing Policy sets out the Company's commitment to thoroughly investigate concerns that are reported in good faith and to protect employees, contractors or other

stakeholders who report wrongdoing from being discriminated against or disadvantaged. All reported submissions will be treated with the strictest confidentiality. The AC is responsible for oversight and monitoring of whistleblowing. According to the Whistle Blowing Policy, the Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality. The Company will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Company a serious and genuine concern that they may have concerned an apparent wrongdoing. Pursuant to the Whistle Blowing Policy, The Audit Committee is responsible for oversight and monitoring of whistleblowing.

Those with a complaint or concern regarding the Company are encouraged to contact a member of the AC or the compliance officer via the email address (whistleblowing@trendlines.com) which can be found in the corporate website: www.trendlines.com/investors/investors-about/governance/.

Provision 10.2 of the 2018 Code: The AC comprises at least three directors, and majority are independent.
The AC was constituted on 19 October 2015 and as of the date of the Annual Report, its composition is in compliance with the Israeli Companies Law following the election of the External Directors.

During FY2023, the AC comprises four members, all of whom, including the Chair, are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company.

On 8 March 2024, the composition of the AC was reconstituted and there are now three members, all of whom (including the AC Chair) are Independent Directors. The names of the members of the AC are set out on page 55 of this Report. The AC includes the Company's External Directors, namely Ms. Elka Nir and Ms. Sarit Zeevi, whereupon the AC was constituted in compliance with the Israeli Companies Law. The Chairperson of the AC is Ms. Elka Nir.

The AC comprises members who are appropriately qualified, have relevant accounting or related financial management expertise and experience to discharge the authority and duties delegated by the Board to the AC.

Provision 10.3 of the 2018 Code: The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation.
None of the AC members were previous partners or directors of the Company's external audit firm within the last twenty-four months and none of the AC members hold any financial interest in the external audit firm.

Provision 10.1 of the 2018 Code: Duties of the AC
The authority and duties delegated by the Board to the AC are detailed in written terms of reference approved by the Board, and include, inter alia:

- Reviewing and recommending to the Board the approval of the Company's half-yearly and annual financial statements and related management's discussion and analysis;
- Recommending to the Board and overseeing the external auditors of the Company, including reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- Making recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- Reviewing the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgments made by the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

- Pre-approving all audit and non-audit services to be provided to the Group by the external auditors;
- Identifying deficiencies in the administration of the Company (including reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties), and recommending remedial actions with respect to such deficiencies;
- Reviewing the effectiveness and adequacy of the Group's internal audit function;
- Reviewing the system of internal controls and management of financial risks with the internal and external auditors;
- Reviewing the cooperation of the Company's management with the external auditors and the internal auditors (without the presence of management), where applicable and at least annually;
- Reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Reviewing of hedging policies and instruments to be implemented (if any);
- Reviewing and approving interested person transactions and review procedures thereof;
- Reviewing potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- Reviewing the risk management framework, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, to announce immediately via SGXNET;
- Investigating any matters within its terms of reference;
- Reviewing the policy and arrangements by which the staff and any other parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- Administering and overseeing the implementation of the Disclosure and Insider Trading Policy, the Whistle Blowing Policy, the Anti-Bribery Policy, and any other corporate policy as may be adopted by the Company;
- Undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
- Reviewing assurance from CEO and CFO on the financial records and financial statements. In addition, under the Israeli Companies Law, the AC is required, amongst other things, to:
- Identify deficiencies in the administration of the Company (including by consulting with the internal auditor or the external auditors of the Company), and recommend remedial actions with respect to such deficiencies;
- Determine with respect to transactions with related parties, including office holders and the controlling shareholder (if any), if such transactions are substantial actions (i.e. an action that is likely to materially affect the Company's profitability, assets or liabilities) or extraordinary transactions (i.e. a transaction that is not in a Company's ordinary course of business, not on market terms or that is likely to have a material impact on the Company's profitability, assets or liabilities) and may determine once a year, in advance, criteria for such determination;

- Determine with respect to extraordinary (and non-extraordinary) transactions with the controlling shareholder, the requirement to conduct a competitive procedure, or other procedures to be conducted prior to entry into such transactions;
- Review and approve or disapprove certain related-party transactions;
- Determine the procedure for approval of transactions with the controlling shareholder,;
- Where the Board approves the working plan of the internal auditor, examine such working plan before its submission to the Board and proposing amendments thereto;
- Examine the internal audit controls and internal auditor's performance, including whether the internal auditor has sufficient resources and tools to fulfil his responsibilities; and
- Examine the scope of the external auditor's work and compensation and submit a recommendation with respect thereto to the Board or general meeting, depending on which of them is considering the remuneration of the external auditor.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Israeli law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he or she will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

The AC shall also commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, the Board is required to report to the SGX-ST and the Company's sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. The Company has established and maintains, on an ongoing basis, an effective internal audit function that is adequately resourced and independent of the activities it audits. Thereafter, such audits may be initiated by the AC as and when it deems fit to satisfy itself that the Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by the Board.

The AC reviewed the audited consolidated financial statements for FY2023 and also discussed with management and the external auditors the significant accounting policies, judgment and estimate applied by the management in preparing the annual consolidated financial statements. The AC, reviewed, amongst others, on the following matters:

- valuation of portfolio companies;
- assessment of control over portfolio companies;
- appropriateness of the going concern assumptions in the preparation of the annual consolidated financial statements; and
- significant adjustments resulting from the audit, if any.

AC's Commentary on Key Audit Matters for FY2023

In addition, the most material area of judgment in the annual consolidated financial statements relates to the valuation of portfolio companies. The investment in portfolio companies as of 31 December 2023 had a carrying amount of US$66.4 million. The Company determined it was necessary to rely on the opinion of specialists to value the substantial majority of these investments, due to the complexity of the valuations. At each reporting period, the AC discusses with management and with the Company's auditor about the Company's valuation policy, methodologies and the procedures performed on the valuation of portfolio companies.

In addition, at least annually, the AC considers the going concern principle on which the annual consolidated financial statements are prepared. As the Group is supporting existing investments with further capital, the business model is currently inherently cash consuming. Based on the balance of cash and cash equivalents as of 31 December 2023 and management's operating plan, the AC is of the view that the Company has sufficient capital resources to finance its operations and meet its obligations as they come due for a period of at least twelve months from the date of the consolidated financial statements.

Following the review and discussions, the AC then recommended to the Board to approve the audited annual consolidated financial statements for FY2023.

Provision 10.4 of the 2018 Code: Primary reporting line of the internal audit function is to the AC.

The Company's internal audit function was outsourced to Mr. Doron Cohen from Fahn Kanne Control Management Ltd (member of Grant Thornton Israel) (the "Internal Auditor" or "IA"), that reports directly to the AC Chair and administratively to management. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

Practice Guidance 10 of the 2018 Code: AC to ensure internal audit function is adequately resourced and adequacy and effectiveness of the internal audit function.

The AC is of the view that the IA has adequate resources to perform the functions and maintained its independence from the activities audited. The IA subscribes to, and is guided by, the standard established by internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing ("**IPPF**") set by The Institute of Internal Auditors ("**IIA**") and has incorporated these standards into its audit practices. The focus of the Internal Audit function is to strengthen the internal control structure and risk management through the conduct of independent and objective reviews. The AC is satisfied that the IA is adequately qualified given, inter alia, his education (BA business administration, major in accounting and Certified Internal Auditor) and over 18 years of experience as an internal auditor. The IA has confirmed that the team members working under him are corporate members of the Institute of Internal Auditors (IIA) and are practicing the recommended standards by the IIA. The IA has the appropriate standing in the Company to discharge its duties effectively given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC. The AC met with the IA more than one time during FY2023, for audit reports with respect to "Purchasing" and "Internal Review on the Sustainability Report".

The AC reviews the adequacy and effectiveness of the internal audit function on an annual basis and is satisfied that the internal audit function is independent, effective and adequately resourced. The AC is also responsible for recommending to the Board the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 of the 2018 Code: The Company provides shareholders with the opportunity to participate effectively and vote at general meetings.
The Company encourages Shareholders' participation at the general meetings of its Shareholders which are held in Singapore. All Shareholders are entitled to attend and vote at general meetings in person or by proxy. The rules including the voting procedures are set out in the notice of general meetings, which are dispatched to Shareholders no less than 14 calendar days prior to the date of the general meetings and 21 calendar days prior to the date of the general meetings where special resolutions are to be passed, in accordance with Catalist Rule 704(14). In accordance with the Articles, Shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. The proxy forms are to be deposited with the Company not less than forty-eight hours before the time set for the general meetings. Notwithstanding the provisions in the Articles, the Chair of the general meeting has the right to waive the time requirement with respect to all proxies and to accept any and all proxies until the beginning of general meetings.

A polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of Shareholders. All polling procedures are being scrutinized by an independent scrutineer.

Provision 11.2 of the 2018 Code: Company tables separate resolutions at general meeting.
The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the 2018 Code's principle regarding "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications in the document accompanying the notice of the general meeting which are provided to shareholders.

Provision 11.3 of the 2018 Code: All directors attend general meetings of shareholders.
The Chair of the Company shall be present at general meetings, unless such presence is not reasonably possible or necessary in which the Chair of the Company shall participate at general meetings via teleconference or other communication means, and an additional Director or office holder shall be present at such general meeting. In addition, the Company's CEO and Company's CFO shall be present at AGMs to present the Company's annual financial statements and assist in addressing queries raised by the Shareholders with respect to such annual financial statements, unless such presence is not reasonably possible in which case the Company's CFO shall participate in the meeting via teleconference or other communication means. When required the external auditors may be present to address shareholders' queries about the conduct of the audit and the preparation and content of the independent auditor's report. In the event that the external auditor is unable to be physically present at the AGMs (when required), the external auditors will participate via teleconference or other communication means to assist in answering any questions of shareholders with respect to the Company's audited annual financial statements at such meetings.

The Company also ensures that, when required, its Israeli Legal advisors are present at its general meetings (either via teleconference or in person) to address any queries shareholders may have on matters relating to the Israeli Companies law.

CORPORATE GOVERNANCE REPORT

The Board is cognizant of the recommendations as set out under Provision 11.3 of the 2018 Code that all Directors are required to attend the general meetings of the Company and will endeavor to achieve this in the coming years. Nevertheless, a representative director from the Board will attend the general meetings to address the queries from shareholders about the conduct of the Company's financial and operational performance is consistent with the intent of Principle 11 of the 2018 Code.

The attendances of the Directors at the Company' general meetings held during FY2023 are as set on page 56 above.

Number of general meetings held:	■ AGM on 19 April 2023, and ■ 3 SGMs held on 31 January 2023, 19 April 2023 and 15 December 2023, respectively

Provision 11.4 of the 2018 Code: Shareholders should be allowed vote in absentia.
Shareholders are given the opportunity to vote at general meetings.

Provision 11.5 of the 2018 Code: Minutes to be available to shareholders.
All minutes of general meetings including the material comments and/or questions raised by Shareholders in relation to the meeting agenda and the responses from the representatives of the Company's Board and/or management (if applicable), are prepared by the Company Secretaries upon the conclusion of the said general meetings. The Company publish such minutes on its corporate website, as communicated to Shareholders in the notices of the general meetings.

Provision 11.6 of the 2018 Code: The Company has a dividend policy.
The Board has adopted and announced a new dividend policy during FY2021 to take effect from 1 July 2021.

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

The Board has not declared or recommended any dividends for FY2023 as the Company did not meet the required above dividend policy, in addition of not meeting the relevant conditions prescribed by the Israeli Companies Law for the declaration of dividends.

According to the Israeli Law of Companies, a company that desire to distribute a dividend must meet two cumulative conditions: (1) The Company has distributable surpluses and if the total retained earnings is negative (based on tax reports), it is possible to divide the profits accumulated in the past two years (the earnings test) and (2) The Company has the ability to meet all of its liabilities even after the distribution of the dividend (the repayment ability test).

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 of the 2018 Code: Company communicates regularly with its shareholders.
Being committed to good corporate practices, the Company treats all its Shareholders fairly and equitably. To facilitate the exercise of Shareholders' rights, the Company ensures that all material information relating to the Group and its financial performance is disclosed in an accurate and timely manner via SGXNET.

The Company ensures that its Shareholders are notified of all material information in an accurate and timely manner. The Company's half-yearly and annual results are announced within the mandatory period prescribed by the Catalist Rules. The financial statements and other materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated, and publicly released via SGXNET on a timely basis. The Shareholders will also receive the annual report of the Company and the notice of the Company's AGMs, which notice is also advertised in the press and released via SGXNET. Shareholders and investors may contact the Company or access information regarding the Company on its website (www.trendlines.com) which provides, inter alia, corporate announcements, press releases and the latest financial results as released by the Company on SGXNET, and contact details of its investor relations service provider.

Provisions 12.2 and 12.3 of the 2018 Code: Company has in place an investor relations policy which allows for an ongoing exchange of views and sets out the mechanism through which shareholders may contact the Company.
Under the Company's Disclosure Policy, the Company's CEO and Interim Chief Financial Officer as well as the Director of Investor Relations (if appointed) are authorized to speak to the media and the Company's investors. They are responsible for ensuring that all information presented or made available contains only (i) information that has already been disclosed on the SGXNET; and (ii) non-price sensitive information.

The Company solicits feedback from and addresses the concerns of shareholders via the following:

- The Company held three investor briefings (recorded and accessible on our website to all) During 2023 management also briefed shareholders on the Company's performance during the general meetings held.
- Additionally, the company maintains an updated investor portal on its corporate website, which contains all announcements, presentations and financial information that has been published on the SGXNet.
- The company sends investor alerts to subscribers. Anyone interested can subscribe to the list through our website.
- Our Head of Investor Relations can be contacted via e-mail on our website and responds in a timely manner to all investor communications, questions, and clarifications.
- the Company's in-house corporate communications team;
- a detailed investor information section on its website;
- a monthly electronic newsletter; and
- investor/analyst briefings.

Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website (www.trendlines.com). For further details, see the Investor Relations section of this Annual Report.

5. MANAGING STAKEHOLDERS' RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 of the 2018 Code: The Company identifies and engages with its material stakeholders.
The Company regularly engages our stakeholders through various media and channels to ensure that our business interests are aligned with those of our stakeholders. Our stakeholders have been identified as those who are impacted by our business and operations and similarly, those who are able to impact our business and operations. We have identified the following stakeholders' groups through an assessment of their significance to our operations. They are namely, employees, Shareholders, portfolio companies, partners, and government regulators.

Provision 13.2 of the 2018 Code: The Company discloses its strategy and key areas of focus in relation to the management of stakeholder relationships.
The Company has identified key areas of focus in relation to the management of stakeholder relationships. The details on the key areas of focus are included in the Sustainability Report of this Annual Report.

Provision 13.3 of the 2018 Code: The Company maintains a corporate website.
The Company maintains a website at www.trendlines.com to communicate and engage with stakeholders.

Compliance with Applicable Catalist Rules

Rule 1204(8): Material Contracts
Save for as disclosed in Note 22 of the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of the CEO, Director, or controlling shareholder of the Company, which are either still subsisting at the end of FY2023, or, if not then subsisting, were entered into since the end of the previous financial year.

Rule 1204(17): Interested Person Transactions
The AC reviews and approves all interested person transactions ("**IPTs**") to ensure that they are on normal commercial terms and on arm's length basis (that is, the transactions are transacted on terms and prices not more favorable to the interested persons than if they were transacted with a third party) and are not prejudicial to the interests of the Group or the Company's minority Shareholders in any way, and the transactions are in the best interests of our Group. The Board has approved written procedures and guidelines for such review and approval of IPTs by the AC. All IPTs are properly documented and reported on in a timely manner to the AC.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
Nil	Not applicable	The Company does not have a general mandate for IPTs.	None exceeding the value of a $100,000 for FY 2023

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 into during FY2023.

(a) On 19 January 2022, the Company entered into subscription agreements to raise approximately S$20.3 million (approximately US$15 million) by issue of 168,918,912 new ordinary shares at an issue price of S$0.12 per share ("**Proposed Subscription**"). Librae Holdings Limited ("**LH**"), the substantial shareholder of the Company was one of subscribers to the Proposed Subscription and is considered an interested person under Chapter 9 of the Catalist Rules ("**IPT**). The aggregate number of ordinary shares subscribed by LH is 99,099,096 shares for an aggregate consideration of S$11,891,892. The Company sought shareholders' approval, including the IPT, through a special general meeting held on 4 March 2022. Please refer to the Company's announcement and circular dated 19 January 2022 and 28 January 2022 respectively.

(b) While during FY2023 the total amount invested by Agriline Limited[(1)] in 6 portfolio companies was S$2.0 million, the value of the transactions (which is the amount at risk to the Group) is S$0 as the investments did not result in a change in the fair value of the Group's holdings in the portfolio companies or the consolidated net tangible assets of the Group.

(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 around 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.

Rule 1204(19): Securities Dealing Policy

The Company has adopted a securities dealing policy (the "**Securities Dealing Policy**") which sets out the policy on dealings in the Company's securities by the Company and the directors, officers, management and employees of the Group (the "**Relevant Persons**"). The Relevant Persons are to ensure that any trading by them in any of the Company's securities is undertaken within the framework set out in the Securities Dealing Policy and in accordance with the relevant laws, regulations, and rules in relation to the dealing of the Company's securities. Pursuant to the Securities Dealing Policy, the Company and the Relevant Persons are prohibited from dealing with the Company's securities during the prescribed blackout periods beginning one month before the announcement of the Company's half-year and full-year financial statements respectively and ending on the date of the announcement of the relevant results. In any event, the Company and the Relevant Persons are prohibited from dealing with the Company's securities at any time when they are in possession of unpublished material price sensitive information. In addition, as a matter of good practice, the Company and the Relevant Persons are also prohibited from dealing in the Company's securities on short-term considerations. The AC is responsible for administering and overseeing the implementation of the Securities Dealing Policy.

Rule 1204(21): Non-Sponsor Fees

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., for FY2023.

Rule 1204(22): Use of IPO Proceeds

The Company refers to the net proceeds amounting to S$19.8 million received from the 4 installments of the Proposed Subscription which resulted in the issuance and allotment of 84,459,456 shares during FY2023 ("**Net Proceeds**").

The following table sets out the breakdown of the use of proceeds from the 2023 PIPE Placement as at the date of the Annual Report:

Purpose	Amount allocated (S$'000)	Amount utilized as at the date of the Annual Report (S$'000)	Balance (S$'000)
Direct and indirect investments into new, prospective or existing Portfolio Companies	13,860	12,072	1,788
General working* capital	5,94	–	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.

The above utilizations are in accordance with the intended use of the net proceeds from the Proposed Subscription, as stated in the Company's announcement dated 19 January 2022.

Pending the deployment of the unutilized proceeds from Proposed Subscription as set out above, the unutilized proceeds will be invested from time to time, either in interest-bearing deposits with licensed banks (in Israel or in Singapore).

Additional information on Directors to be re-elected pursuant to Catalist Rule 720(5)

Details required under Appendix 7F of the Catalist Rules	Professor Low Teck Seng
Date of Appointment	11 August 2022
Date of last re-appointment (if applicable)	19 April 2023
Age	68
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board considered the Nominating Committee's recommendation and assessment on Mr. Low Teck Seng's professional qualifications, expertise, past working experience and commitment in the discharge of his duties as an Independent Director, and is satisfied that he will continue to contribute meaningfully to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent & Non-Executive Director, member of the Remuneration Committee
Professional qualifications	(1) PhD University of Southampton (2) IEEE (Fellow) (3) Royal Academy of Engineering, UK (Fellow) (4) Singapore Academy of Engineering (Fellow)
Working experience and occupation(s) during the past 10 years	**2012 to Present**: Tenured Professor, National University of Singapore **2012 to 2022**: Chief Executive Officer, National Research Foundation (NRF)
Shareholding interest in the listed issuer and its subsidiaries.	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

Details required under Appendix 7F of the Catalist Rules	Professor Low Teck Seng
Other Principal Commitments* Isncluding Directorships# * *"Principal Commitments" has the same meaning as defined in the Code.* # *These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)*	
Past (for the last 5 years)	**2019 - 2023:** ● Singapore Innovate Pte. Ltd ● ISEC Healthcare Singapore ● MIT Alliance for Research and Technology Centre ● Cambridge Centre For Advanced Research and Education in Singapore Ltd ● Berkeley Education Alliance for Research in Singapore Limited; ● Tum Create Limited ● Excelpoint Technology Ltd Systems ● Chip Eng Seng Ltd ● Defence Science Organisation ● IEEE Asia-Pacific
Present	● Ucrest Bhd ● Key Asic Bhd ● Public Utilities Board ● Xora Innovation ● Graduate Investment Pte Ltd ● Ravantha Technologies ● Singapore Maritime Board ● NRF Holdings Pte. Ltd ● Tangram Pte Ltd
Information Required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

Details required under Appendix 7F of the Catalist Rules		Professor Low Teck Seng
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

Details required under Appendix 7F of the Catalist Rules	Professor Low Teck Seng
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Details required under Appendix 7F of the Catalist Rules	Professor Low Teck Seng
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable, This is a re-election of a director
If yes, please provide details of prior experience.	NA
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	NA
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA

DIRECTORS' REPORT

We are pleased to submit this annual report to the shareholders of the Company together with the audited statements for the financial year ended 31 December 2023.

Directors

The Directors in office at the date of this report are as follows:

Name of Director	Designation
Ms. Nehama Ronen	Interim Chair of the Board
Ms. Elka Nir	External Director (Lead Independent Director)
Ms. Sarit Zeevi	External Director (Independent Director)
Mr. Sin Boon Ann	Independent Director
Professor Low Teck Seng	Independent Director

Directors' Interests

According to the share registers kept by the Company for the purposes of Sections 127 and 128 of the Israeli Companies Law, 5759-1999 (the "**Law**"), and according to the information provided to the Company by our directors, particulars of interests of directors who held office at the end of FY2023 (the "**Year**") (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations, other than wholly owned subsidiaries, are as follows:

Except as listed hereunder, none of our directors who held office at the end of the Year had any direct interest in the Company's shares, debentures, warrants and share options – neither at the beginning of the Year, nor at the end of the Year, nor as at 21 January 2024.

Directors' Interests in the Company:

Name of director and corporation in which interests are held	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
	At the beginning of the Year	At end of the Year	At 21 January 2024	At the beginning of the Year	At end of the Year	At 21 January 2024
Ordinary Shares						
Elka Nir	–	–	–	–	–	–
Nehama Ronen	–	–	–	–	–	–
Sarit Zeevi	–	–	–	–	–	–
Sin Boon Ann	–	–	–	–	–	–
Low Teck Seng	–	–	–	–	–	–

Directors' Interests (Cont'd)

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the Year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

Since the end of the Year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share Options

The 2011 Global Incentive Option Scheme (the "**Old Option Plan**") was approved and adopted in 2011. The Old Option Plan is administered by the Board.

No Old Options have been granted to Controlling Shareholders and Associates of Controlling Shareholders. No Old Options have been granted to the Directors of the Company.

As at the end of the Year, a total of 68,385,288 Old Options exercisable into 68,385,288 Shares at exercise prices of between NIS0.00125 and US$0.201125 were granted to 53 participants, of which 14,477,752 Old Options were exercised pursuant to which 14,477,752 Shares have been allotted and issued by the Company. As at the end of the Year, 32,494,256 Old Options exercisable into 32,494,256 Shares at exercise prices of between US$0.13625 and US$0.201125 remain outstanding. All outstanding Old Options granted under the Old Option Plan are all vested.

None of the Participants received 5% or more of the total number of options available under the Old Option Plan. Accordingly, the disclosures required under Catalist Rule 851(1)(b)(ii), (iii), (c) and (d) are not applicable for the Old Option Plan.

Since 2 August 2015, no Old Options have been granted under the Old Option Plan and Old Options are not permitted to be granted under the Old Option Plan and in lieu thereof options may be granted under the Trendlines Group Ltd. 2015 Global Share Option Plan ("**The Trendlines 2015 Share Option Plan**" or the "**Plan**") and its Sub-Plan.

The Old Option Plan provides that in the event of a transaction such as a merger, acquisition or reorganization of our Company with another company, or the sale of substantially all of the assets of the Company, the outstanding unexercised Old Options shall be assumed or substituted for an appropriate number of Shares as were distributed to Shareholders in connection with such transaction. In the event that the unexercised Old Options are not assumed or substituted, they may be immediately vested on the date which is ten (10) days prior to the effective date of the transaction, provided that a clause to this effect is included in the optionee's grant notification letter. The right to exercise vested Old Options will expire on the earliest to occur of the following: (i) 10 years from the date of grant; (ii) 12 months after the date of the optionee's death or disability; (iii) 90days after the date of the optionee's voluntary resignation or involuntary termination not for cause; (iv) immediately, in the case of termination of the optionee's employment or term in office for cause; or (v) the date set forth in the grant notification letter provided by the Company.

All outstanding Old Options granted under the Old Option Plan, to the extent not exercised, will expire by August 2025.

Old Options granted may not be assigned or transferred by an optionee other than by will or by laws of descent and distribution, or as specifically otherwise allowed under the Old Option Plan.

DIRECTORS' REPORT

Share Options (Cont'd)

The Plan and Sub-Plan were adopted on 11 November 2015, effective immediately prior to listing of the Company's shares on the Catalist of the SGX-ST. Following the adoption of the Plan and Sub-Plan, the Old Option Plan is no longer active but continues to govern the treatment of the Old Options that have been previously granted thereunder.

As at the end of the Year, there are 32,494,256 Old Options granted and outstanding under the Old Option Plan. The following table sets out information regarding the outstanding Old Options:

Name of holder of Old Options	Date of grant	Purchase price	Number of Shares comprised in the Old Options granted	Aggregate number of Shares allotted and issued pursuant to the exercise and/or expiry of the Old Options	Number of Shares comprised in the unexercised Old Options	Number of Shares that will be allotted and issued pursuant to the exercise of the unexercised Old Options	Exercise price per Old Option	Exercise period	Expiration date
David Todd Dollinger	1 September 2011	N.A.	5,838,384	5,838,384	–(1)	–(1)	US$0.003	Not applicable(1)	Not applicable(1)
	2 June 2014	N.A.	13,272,928	–	13,272,928	13,272,928	US$0.1845	2 June 2014 to 1 June 2024	2 June 2024
Stephen Louis Rhodes	1 September 2011	N.A.	5,838,384	5,838,384	–(2)	–(2)	US$0.003	Not applicable(2)	Not applicable(2)
	2 June 2014	N.A.	13,272,928	–	13,272,928	13,272,928	US$0.1845	2 June 2014 to 1 June 2024	2 June 2024
Dr. Nitza Kardish	1 September 2011	N.A.	2,189,392	2,189,392	–	–	US$0.13625	1 September 2011 to 1 September 2021	Not applicable
	2 June 2014	N.A.	1,187,088	–	1,187,088	1,187,088	US$0.1845	2 June 2014 to 1 June 2024	2 June 2024
Haim Brosh	2 June 2014	N.A.	1,420,656	–	1,420,656	1,420,656	US$0.1845	2 June 2014 to 1 June 2024	2 June 2024
Other employees	6 January 2014	N.A.	3,503,016	2,335,344	1,167,672	1,167,672	US$0.13625	6 January 2014 to 6 January 2024	6 January 2024
	2 June 2014	N.A.	9,756,800	8,552,704	1,172,984	1,172,984	US$0.1845	2 June 2014 to 1 June 2024	2 June 2024
	26 April 2015	N.A.	80,000	–	80,000	80,000	US$0.1875	26 April 2015 to 26 April 2025	26 April 2025
	2 August 2015	N.A.	1,520,000	600,000	920,000	920,000	US$0.201	2 August 2015 to 2 August 2025	2 August 2025

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the Year.

Notes:

(1) David Todd Dollinger was granted 5,838,384 Old Options which were all exercised.

(2) Stephen Louis Rhodes was granted 5,838,384 Old Options which were all exercised.

The Trendlines 2015 Share Options Plan

The Company has adopted The Trendlines 2015 Share Option Plan (the "**Plan**") and the Sub-Plan at a Special General Meeting of the Shareholders held on 11 November 2015 and amended at the Special General Meeting of the Shareholders held on 2 August 2016. The Plan and any Sub-Plans are administered by the Board or the Remuneration Committee.

The following table sets out information regarding options granted to the directors under the Plan:

Name of Participant	Aggregate options granted during financial year under review	Aggregate options granted since commencement of the Plan to 31 December 2023	Aggregate options exercised since commencement of the Plan to 31 December 2023	Aggregate options outstanding at 31 December 2023
Elka Nir	-	750,000	-	750,000
Sin Boon Ann	-	750,000	-	750,000
Nehama Ronen	750,000	750,000	-	750,000
Sarit Zeevi	750,000	750,000	-	750,000
Low Teck Seng	750,000	750,000	-	750,000

No options have been granted to Controlling Shareholders and Associates of Controlling Shareholders under the Plan.

None of the Participants received 5% or more of the total number of options available under the Plan. The Company does not have any parent company.

No options were granted at a discount to market price during the financial year.

Accordingly, the disclosures required under Catalist Rule 851(1)(b) (ii), (iii), (c) and (d) are not applicable.

As at the end of the Year, a total of 67,201,276 options exercisable into 67,201,276 Shares at exercise prices of between S$0.04 and S$0.32 were granted to 90 participants, none of the options were exercised and no Shares have been allotted and issued by the Company. As at the end of the Year, 53,564,491 options exercisable into 53,564,491 Shares at exercise prices of between S$0.04 and S$0.32 remain outstanding (after taking into account 13,636,785 options previously granted to former employees that had lapsed and expired during the Year). 37,247,831 outstanding options granted under the Plan are vested.

Non-exhaustive information regarding the Plan is set out below (please refer to Appendix I of the Offer Document dated 16 November 2015 and the Company's circular dated 27 June 2016 for the entire Plan and Sub- Plan).

Option Pool

The total number of Shares for which the Remuneration Committee may grant options under the Plan at any date, when added to the number of Shares issued and/or issuable in respect of: (a) all options already granted under the Plan and Sub- Plan; and (b) all options or awards granted under any other share option scheme or share schemes then in force, shall not exceed 15.0% of the total issued share capital of the Company (excluding treasury Shares) on the day immediately preceding the date of grant of the options.

Maximum Entitlements

The aggregate number of shares reserved as option pool in respect of all options granted under the Plan available to plan controlling shareholders or associates of the plan controlling shareholders shall not exceed 5.0% of the shares available under the Plan. The number of shares reserved as option pool in respect of all options granted under the Plan available to each plan controlling shareholder or associate of the plan controlling shareholder shall also not exceed 1.0% of the shares available under the Plan.

Options, Exercise Period and Exercise Price

The exercise price for each grantee shall be as determined by the Remuneration Committee and specified in the applicable option agreement; provided, however, that: (i) unless otherwise determined by the Remuneration Committee (which determination shall not require shareholder approval, unless so required in order to comply with the provisions of applicable Mandatory Law (including, for the avoidance of doubt, the listing manual)), the exercise price shall be the fair market value of the shares on the date of grant ("**Fair Market Value Option**") (i.e., the average of the last dealt prices for the shares on the Catalist of the SGX-ST over the 30 consecutive trading days immediately preceding the date on which the options are granted); and (ii) where the exercise price is set at a discount to the Fair Market Value of the shares, the maximum discount shall not exceed 20.0% of the Fair Market Value of the shares (or such other percentage or amount as may be determined by the Remuneration Committee and permitted by the Sponsor or (if required) any other stock exchange on which the Shares are quoted ("**Discounted Option**"). Fair Market Value Options may be exercised after the first anniversary of the date of grant of that Option while Discounted Options may only be exercised after the second anniversary from the date of grant of the Option ("**Cliff Period**"). Unless otherwise determined by the Remuneration Committee with respect to any specific Grantee and/or to any specific grant following the Cliff Period, the options shall vest upon the lapse of each full additional one (1) month thereafter of the grantee's continuous service thereafter, until all the Options vested (that is, 100% of the grant will be vested after three (3) years).

Unless expired earlier pursuant to the Plan, unexercised Options shall expire and terminate and become null and void upon the lapse of 10 years from the Date of Grant.

Duration of the Plan

The Plan is effective as of the day it was adopted by the Board, and shall continue in effect until the earlier of: (a) its termination by the Board; or (b) the lapse of 10 years from the date the Plan is adopted by the Board. The termination, discontinuance or expiry of the Plan shall be without prejudice to the rights accrued to Options which have been granted and accepted in accordance with the rules of the Plan, whether such Options have been exercised (whether fully or partially) or not.

Grant of Discounted Options

Discounted Options will only be granted to deserving employees whose performance has been consistently good and/or whose future contributions to our Group will be invaluable. The ability to offer Discounted Options will operate as a means to recognize the performance of participants as well as to motivate them to continue to excel while encouraging them to focus on improving the profitability and return of our Group to a level that benefits our Shareholders when these are eventually reflected through an appreciation of our share price. Discounted Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Discounted Options as only employees who have made significant contributions to the success and development of our Group would be granted Discounted Options.

Grant of Discounted Options (Cont'd)

The flexibility to grant Discounted Options is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Remuneration Committee will have absolute discretion to:

(a) grant Options set at a discount to the Fair Market Value of a Share (subject to a maximum limit of 20.0%); and

(b) determine the participants to whom, and the Options to which, such reduction in exercise prices will apply.

The Remuneration Committee will have the absolute discretion to grant Discounted Options, to determine the level of discount (subject to a maximum discount of 20.0% of the Fair Market Value) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorized, in a separate resolution, the making of offers and grants of Options under the Plan and Sub-Plan at a discount not exceeding the maximum discount as aforesaid. Such Discounted Options may be exercisable after two (2) years from the date of grant.

As at the end of the Year, there are 53,564,491 options outstanding under the Plan. The following table sets out information regarding the outstanding options under the Plan:

Name of holder of options	Date of grant	Purchase price	Number of Shares comprised in the options	Aggregate number of Shares allotted and issued pursuant to the exercise and/or expiry of the options	Number of Shares comprised in the Unexercised options	Exercise price per option	Exercise period	Expiration date
Consultants	30 December 2015	–	320,000	–	320,000	S$0.32	10 years as of the date of grant	30 December 2025
Dr. Nitza Kardish	11 August 2016	–	629,383	–	629,383	S$0.19	10 years as of the date of grant	11 August 2026
	24 February 2020	–	400,000	–	400,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	2,475,000	–	2,475,000	S$0.1064	10 years as of the date of grant	21 December 2031
David Todd Dollinger	20 June 2020	–	3,955,957	–	3,955,957	S$0.1131	10 years as of the date of grant	20 June 2030
	16 April 2022	–	4,500,000	–	4,500,000	S$0.1072	10 years as of the date of grant	16 April 2032
Stephen Louis Rhodes	20 June 2020	–	3,955,957	–	3,955,957	S$0.1131	10 years as of the date of grant	20 June 2030
	16 April 2022	–	4,500,000	–	4,500,000	S$0.1072	10 years as of the date of grant	16 April 2032
Haim Brosh	12 August 2018	–	1,775,643	–	1,775,643	S$0.105	10 years as of the date of grant	12 August 2028
	24 February 2020	–	1,100,000	–	1,100,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	2,475,000	–	2,475,000	S$0.1064	10 years as of the date of grant	21 December 2031

Grant of Discounted Options (Cont'd)

Name of holder of options	Date of grant	Purchase price	Number of Shares comprised in the options	Aggregate number of Shares allotted and issued pursuant to the exercise and/or expiry of the options	Number of Shares comprised in the Unexercised options	Exercise price per option	Exercise period	Expiration date
Barak Singer	6 April 2017	–	425,437	–	425,437	S$0.156	10 years as of the date of grant	6 April 2027
	25 February 2019	–	1,775,643	–	1,775,643	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	500,000	–	500,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	2,475,000	–	2,475,000	S$0.1064	10 years as of the date of grant	21 December 2031
Eric Loh	6 April 2017	–	646,702	–	646,702	S$0.156	10 years as of the date of grant	6 April 2027
	25 February 2019	–	200,000	–	200,000	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	500,000	–	500,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	2,475,000	–	2,475,000	S$0.1064	10 years as of the date of grant	21 December 2031
Other employees	11 August 2016	–	3,146,915	3,146,915	-	S$0.187	Not applicable	Not applicable
	15 September 2016	–	1,302,822	1,302,822	-	S$0.187	Not applicable	Not applicable
	6 April 2017	–	531,799	531,799	-	S$0.156	Not applicable	Not applicable
	12 August 2018	–	1,066,492	380,000	686,492	S$0.105	10 years as of the date of grant	12 August 2028
	25 February 2019	–	1,085,526	960,000	125,526	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	4,548,000	2,487,000	2,061,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	-	11,650,000	3,955,000	7,695,000	S$0.1064	10 years as of the date of grant	21 December 2031
	8 June 2023	–	3,535,000	–	3,535,000	S$0.097	10 years as of the date of grant	8 June 2033
Directors	16 April 2022	-	3,000,000	1,125,002	1,874,998	S$0.1072	10 years as of the date of grant	16 April 2032
	3 February 2023	-	2,250,000	–	2,250,000	S$0.096	10 years as of the date of grant	3 February 2033

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the Year.

Audit Committee

The Audit Committee was established on 19 October 2015 and the members of the Audit Committee (as at the date of this Report) comprise of 3 directors, namely, Elka Nir, Sin Boon Ann, and Sarit Zeevi.

During FY2023, the Audit Committee held 3 (three) meetings.

The Audit Committee reviews the effectiveness and adequacy of the Group's internal controls (including financial, operational, compliance and information technology controls) and the risk management policies and systems established by the Group.

The Audit Committee had full access to and cooperation of Management and it also has full discretion to invite any Director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the Audit Committee. The external auditors have unrestricted access to the Audit Committee and the Audit Committee has reasonable resources to enable it to discharge its functions properly.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board that the external auditors be nominated for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors have indicated their willingness to accept re-appointment for the ensuing financial year.

On behalf of the Board,

Nehama Ronen, Interim Chair

13 March 2023

STATEMENTS BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 103 to 167 are drawn up so as to give a true and fair view of the Company and of the Group as at 31 December 2023 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) as at the date of this statement, there are reasonable grounds to assume that the Group will be able to pay its debts as and when they fall due.

On behalf of the directors,

Nehama Ronen, Interim Chair

13 March 2024

THE TRENDLINES GROUP LTD.

INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF THE TRENDLINES GROUP LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(U.S. dollars in thousands)

THE TRENDLINES GROUP LTD.

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL

YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITORS' REPORT

EY
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To the Shareholders of The Trendlines Group Ltd.

Opinion

We have audited the consolidated financial statements of The Trendlines Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position of the Group and the Company as of 31 December 2023, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group and the Company as of 31 December 2023, and the Group's consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For this matter, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key Audit Matters (Cont.)

Valuation of Investments in Portfolio Companies

The Group's disclosures about its investments in Portfolio Companies are included in Notes 7 and 9 to the consolidated financial statements.

The Group's investments in Portfolio Companies represent 85.06% of the total amount of its assets. The valuations of the Portfolio Companies are designated as level 3 in the fair value hierarchy since they are valued using inputs other than quoted prices in an active market. The Group determined it was necessary to rely on the opinion of external valuation specialists to value the substantial majority of these investments, due to the complexity of the valuations. Due to the inherent subjectivity in the valuation of these investments, we determined this matter to be a significant item for our audit.

How our audit addressed the matter

Our audit procedures comprised, amongst others, of an assessment of the appropriateness of the valuation models and reasonableness of inputs used to value the Portfolio Companies.

We used our internal valuation specialists to assist us in the evaluation of the valuation of the material investments, and to assess whether the valuations arrived at by the Group were within a reasonable range of acceptable differences. As part of these audit procedures, we assessed the reasonability of key inputs used in the valuation such as the expected operational performance, expected cash flows and weighted average cost of capital by benchmarking them with external data. We also evaluated the Group's assessment whether other evidence exists that could affect the valuation of individual investments.

We further assessed the adequacy of the Group's disclosures concerning this matter in Notes 7 and 9 to the consolidated financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont.)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Yew Kiang Chan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
7 March 2024

STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands, except share and per share data

		The Group		The Company	
		31 December		31 December	
	Note	2023	2022	2023	2022
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents		6,110	4,565	5,182	3,129
Short-term bank deposits	3	90	2,092	-	2,000
Accounts and other receivables	4	2,390	6,329	8,441	10,677
Short-term loans to Portfolio Companies	5	119	91	116	91
Total Current Assets		8,709	13,077	13,739	15,897
NON-CURRENT ASSETS:					
Investments in Portfolio Companies	9	66,409	89,777	-	-
Accounts and other receivables	4;9(B)(2)	28	1,489	-	1,393
Contingent consideration receivable	9(B)(2)	-	744	-	744
Right-of-use assets	10	2,240	2,058	924	-
Investment in Subsidiaries	8	-	-	59,138	82,851
Property, plant and equipment, net	6	686	848	389	465
Total Non-Current Assets		69,363	94,916	60,451	85,453
Total Assets		78,072	107,993	74,190	101,350

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands, except share and per share data

		The Group		The Company	
		31 December		31 December	
	Note	2023	2022	2023	2022
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Lease liabilities	14(A)	410	419	77	-
Loans	11	342	292	342	292
Trade and other payables	12	3,148	3,393	1,197	2,562
Deferred revenues	2(B)(12)	984	2,738	-	100
Total Current Liabilities		4,884	6,842	1,616	2,954
LONG-TERM LIABILITES:					
Deferred revenues	2(B)(12)	-	888	-	-
Loans from the Israel Innovation Authority	13	2,258	2,469	1,169	1,197
Lease liabilities	14(A)	1,634	1,674	307	-
Other long-term liabilities		220	224	206	213
Total Long-Term Liabilities		4,112	5,255	1,682	1,410
EQUITY:					
Equity Attributable to Equity Holders of the Company:					
Share capital	17	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	18	5,249	4,891	5,249	4,891
Retained earnings		(31,202)	2,793	(30,850)	3,145
Total		70,892	96,986	70,892	96,986
Non-Controlling Interests		(1,816)	(1,090)	-	-
Total Equity		69,076	95,896	70,892	96,986
Total Liabilities and Equity		78,072	107,993	74,190	101,350

7 March 2024			
Date of approval of the financial statements	D. Todd Dollinger Co-Chairman	Steve Rhodes Co-Chairman	Haim Brosh Chief Executive Officer and interim Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

U.S. dollars in thousands, except share and per share data

		Year ended 31 December	
	Note	2023	2022
Income:			
Loss from change in fair value of investments in Portfolio Companies, net	2(B)(5);7(D)	(27,032)	(2,470)
Income from services to Portfolio Companies	2(B)(12)	3,215	2,556
Income from contracted R&D services	2(B)(12)	1,281	1,022
Financial income other	19(D)	1,247	873
Other income		362	393
Total (loss)/income		(20,927)	2,374
Expenses:			
Operating, general and administrative expenses	19(A)	8,583	10,299
Operating, general and administrative expenses - Trendlines Medical Singapore portfolio companies (subsidiaries)	19(A)	1,243	1,316
Marketing expenses		241	270
Research and development expenses, net	19(B)	1,686	1,167
Research and development expenses, net - Trendlines Medical Singapore portfolio companies	19(B)	-	443
Financial expenses related to contingent consideration	19(C)	905	5,855
Financial expenses other	19(C)	1,136	343
Total expenses		13,794	19,693
Loss before income taxes		(34,721)	(17,319)
Income tax benefit	15(E)	-	2,156
Net loss		(34,721)	(15,163)
Other comprehensive income (loss):			
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met:			
Gain from cash flow hedges		73	-
Total comprehensive loss		(34,648)	(15,163)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

U.S. dollars in thousands, except share and per share data

	Note	Year ended 31 December 2023	2022
Net loss attributable to:			
Equity holders of the Company		(33,995)	(14,480)
Non-Controlling Interests		(726)	(683)
		(34,721)	(15,163)
Total comprehensive loss attributable to:			
Equity holders of the Company		(33,922)	(14,480)
Non-Controlling Interests		(726)	(683)
		(34,648)	(15,163)
Net loss per share attributable to equity holders of the Company (in U.S dollars)			
Basic and diluted net loss per share	20	$ (0.04)	$ (0.02)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Share capital	Share premium	Reserve from transaction with non-controlling interests	Reserve from hedges	Reserve from share-based payment transactions	Retained earnings	Total	Non-Controlling Interests	Total equity
Balance as of 31 December 2021	2,123	79,312	–	–	4,378	17,273	103,086	(544)	102,542
Net income and total comprehensive income	–	–	–	–	–	(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	250	7,220	–	–	–	–	7,470	–	7,470
Cost of share-based payments	–	–	–	–	558	–	558	–	558
Expiration of options	–	45	–	–	(45)	–	–	–	–
Balance as of 31 December 2022	2,373	86,577	352	–	4,891	2,793	96,986	(1,090)	95,896
Net income and total comprehensive income	–	–	–	73	–	(33,995)	(33,922)	(726)	(34,648)
Issuance of shares	232	7,238	–	–	–	–	7,470	–	7,470
Cost of share-based payments	–	–	–	–	358	–	358	–	358
Balance as of 31December 2023	**2,605**	**93,815**	**352**	**73**	**5,249**	**(31,202)**	**70,892**	**(1,816)**	**69,076**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended 31 December	
	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	(34,721)	(15,163)
Adjustments to reconcile net income (loss) to net cash provided by operating (used in) activities		
Adjustments to the profit or loss items:		
Depreciation	772	930
Tax benefit	-	(2,156)
Loss from changes in fair value of investments in Portfolio Companies, net	27,032	2,470
Financial income, net	(567)	(570)
Financial expense related to contingent consideration	744	5,855
Loss from disposal of property, plant and equipment	15	-
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:		
Increase (decrease) in short-term loans to Portfolio Companies	(28)	196
Decrease in accounts and other receivables	5,400	822
Decrease in deferred revenues	(53)	(237)
Increase (decrease) in trade and other payables	928	(855)
Decrease in other long-term liabilities	(4)	(43)
	32,008	5,560
Investments in Portfolio Companies	(3,745)	(5,305)
	(3,745)	(5,305)
Interest paid	(10)	(42)
Interest received	125	24
	115	(18)
Net cash used in operating activities	(6,343)	(14,926)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended 31 December	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, net	(78)	(112)
Change in restricted deposits, net	-	11
Changes in short term bank deposits, net	2,000	2,149
Net cash provided by investing activities	1,922	2,049
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net	6,370	7,470
Grants from the Israeli Chief Scientist	-	135
Repayment of loan	-	(4,008)
Payment of lease liability	(548)	(642)
Loans received from the Israel Innovation Authority	144	178
Net cash provided by financing activities	5,966	3,133
(Decrease)/increase 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	-
Additions to right-of-use assets with corresponding lease liability	436	92

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 1:- GENERAL

A. Corporate information

The Trendlines Group Ltd. (the "Company" or the "Group") was incorporated in Israel in 2007. Since its incorporation, the Company has been engaged in investing in and establishing innovative agrifood tech and medical device companies primarily through its subsidiaries: Trendlines Investments Israel Ltd. (formerly Trendlines Agtech-Mofet Ltd)., Trendlines Agrifood Innovation Centre Ltd. ("AFIC") and Trendlines Medical Singapore Pte Ltd ("TMS"). The Company's subsidiaries represent one business segment for management reporting purposes.

Additionally, the Group manages investment funds: The Trendlines Agrifood Fund Pte Ltd. with Trendlines Venture Holdings as a 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 Israel Innovation Authority ("IIA") of the Ministry of Economy and Industry which ended by 31 December 2023. The termination of the franchise agreements will not have a material impact on the Company's operations as we have announced few months ago, we are no longer planning to establish new portfolio companies and devote all of our 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.

B. Approval of financial statements

These financial statements were approved by the board of directors on 7 March 2024.

U.S dollars in thousands, except share and per share data

NOTE 1:- GENERAL (Cont.)

C. Definitions

The Company	-	The Trendlines Group Ltd.
The Group	-	The Company and its consolidated subsidiaries.
Subsidiaries	-	Companies that are controlled by the Company (as defined in IFRS 10) and whose accounts are consolidated with those of the Company.
Investees	-	Subsidiaries.
Trendlines Medical Singapore	-	Trendlines Medical Singapore Pte Ltd. a technological incubator - subsidiary of the Company.
Agtech	-	Trendlines Investments Israel Ltd. a technological incubator - subsidiary of the Company.
AFIC	-	Trendlines Agrifood Innovation Center Pte Ltd. a technological incubator and fund manager - subsidiary of the Company.
Trendlines Incubators/ Incubators	-	Two technological incubators - Agtech and Trendlines Medical Singapore in which the Company exercises control and whose statements are consolidated with those of the Company.
Peripheral Incubator	-	Technological incubator that is situated in a national priority region. Agtech is a Peripheral Incubator.
Portfolio Company	-	A company in which the Incubators invested and is not a subsidiary.
IIA	-	Israel Innovation Authority (formerly the Office of the Chief Scientist) of the Israeli Ministry of Economy and Industry.
Directive 8.2	-	Directive 8.2 of the Director General of the Ministry of Economy effective regarding the Incubators from 22 August 2001 through 31 August 2007, when the Incubators functioned as non-profit companies.
Old Directive 8.3	-	Directive 8.3 of the Director General of the Ministry of Economy - Technology Entrepreneurship Centers - Pilot Incubators, effective regarding the Incubators from 1 September 2007 (when the Incubators started to function as for-profit companies under the control of The Trendlines Group) through 31 December 2010.
Track Benefit No.3	-	Track Benefit No.3 of the Israel Innovation Authority in the ministry of economy and industry - technological incubators; replaced the Old Directive 8.3, effective regarding the Incubators from 1 January 2011, onwards.
Related parties	-	As defined in IAS 24.
Dollar	-	US dollar.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 2:- MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

A. Basis of presentation of the financial statements

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis, except for financial assets and liabilities, including derivative financial instruments, that have been measured at fair value through profit and loss.

Consolidated financial statements

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company ("Subsidiaries"). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Company and of the subsidiaries are prepared as of the same dates and periods. The consolidated financial statements are prepared using uniform accounting policies by all companies in the Group. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Non-controlling interests in subsidiaries represent the equity in subsidiaries not attributable, directly or indirectly, to a parent. Non-controlling interests are presented in equity separately from the equity attributable to the equity holders of the Company. Profit or loss and components of other comprehensive income are attributed to the Company and to non-controlling interests. Losses are attributed to non-controlling interests even if they result in a negative balance of non-controlling interests in the consolidated statement of financial position.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies

1. Functional currency, presentation currency and foreign currency

a. Functional currency and presentation currency:

The Group's financial statements are presented in US dollars, which is also the functional currency of the Company and its material subsidiaries. The Group's performance and liquidity are evaluated and managed in US dollars. Therefore, the US dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

b. Transactions, assets and liabilities in foreign currency:

Transactions denominated in foreign currency are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at each reporting date into the functional currency at the exchange rate at that date. Exchange rate differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

c. Group companies:

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

2. Cash equivalents

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of investment or with a maturity of more than three months, but which are redeemable on demand without penalty, and which form part of the Group's cash management.

3. Short-term deposits

Short-term bank deposits are deposits with an original maturity of more than three months from the date of investment and which do not meet the definition of cash equivalents. The deposits are presented according to their terms of deposit.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

4. Financial instruments

a. Financial assets:

Financial assets are measured upon initial recognition at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

The Group classifies and measures debt instruments in the financial statements based on the following criteria:

- The Group's business model for managing financial assets; and

- The contractual cash flow terms of the financial asset.

1) Debt instruments are measured at amortized cost when:

The Group's business model is to hold the financial assets in order to collect their contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the instruments in this category are measured according to their terms at amortized cost using the effective interest rate method, less any provision for impairment.

2) Equity instruments and other financial assets held for trading:

Investments in equity instruments are measured at fair value through profit or loss. This category includes investments in Portfolio Companies held by the Incubators which are investment entities.

Other financial assets held for trading such as derivatives, are measured at fair value through profit or loss unless they are designated as effective hedging instruments.

Dividends from investments in equity instruments are recognized in profit or loss when the right to receive the dividends is established.

3) Debt instruments are measured at fair value through profit or loss when:

A financial asset which is a debt instrument does not meet the criteria for measurement at amortized cost. After initial recognition, the financial asset is measured at fair value and gains or losses from fair value adjustments are recognized in profit or loss.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

4. Financial instruments (Cont.)

b. Impairment of financial assets:

The Group evaluates at the end of each reporting period the loss allowance for financial debt instruments which are not measured at fair value through profit or loss. The Group distinguishes between two types of loss allowances:

a) Debt instruments whose credit risk has not increased significantly since initial recognition, or whose credit risk is low - the loss allowance recognized in respect of this debt instrument is measured at an amount equal to the expected credit losses within 12 months from the reporting date (12-month ECLs); or

b) Debt instruments whose credit risk has increased significantly since initial recognition, and whose credit risk is not low - the loss allowance recognized is measured at an amount equal to the expected credit losses over the instrument's remaining term (lifetime ECLs).

The Group has short-term financial assets, principally short-term loans and trade receivables, in respect of which the Group applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses.

The impairment loss, if any, is recognized in profit or loss with a corresponding allowance that is offset from the carrying amount of the assets.

c. Derecognition of financial assets:

A financial asset is derecognized only when:

- The contractual rights to the cash flows from the financial asset has expired; or
- The Group has transferred substantially all the risks and rewards deriving from the contractual rights to receive cash flows from the financial asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- The Group has retained its contractual rights to receive cash flows from the financial asset but has assumed a contractual obligation to pay the cash flows in full without material delay to a third party.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

4. Financial instruments (Cont.)

d. Financial liabilities:

1) Financial liabilities measured at amortized cost:

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, the Group measures all financial liabilities at amortized cost using the effective interest rate method, except for financial liabilities at fair value through profit or loss.

2) Financial liabilities measured at fair value through profit or loss:

At initial recognition, the Group measures financial liabilities that are not measured at amortized cost at fair value. Transaction costs are recognized in profit or loss.

After initial recognition, changes in fair value are recognized in profit or loss.

At initial recognition, the Group designated the financial liability in respect of loans received from the IIA and a loan from a related party as measured at fair value through profit or loss. Changes in the fair value of the financial liability are recognized in profit or loss, except for changes that can be attributed to changes in the financial liability's credit risk which are recorded in other comprehensive income.

e. Derecognition of financial liabilities:

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

f. Offsetting financial instruments:

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a legally enforceable right to set off the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously. The right of set-off must be legally enforceable not only during the ordinary course of business of the parties to the contract but also in the event of bankruptcy or insolvency of one of the parties. In order for the right of set-off to be currently available, it must not be contingent on a future event, there may not be periods during which the right is not available, or there may not be any events that will cause the right to expire.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

5. Fair value measurement

The Group measures its investments in Portfolio Companies and certain other financial instruments at fair value at each reporting date.

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.

Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances Valuation techniques include the market comparable approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same), the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible) and the cost approach (see Note 7(C)(3) for details).

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable directly or indirectly.

Level 3 - Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

6. Loans from the Israel Innovation Authority

The fair value of loans received from the IIA is calculated based on the present value of expected amounts to be repaid to the IIA, discounted at a rate reflecting the level of risk of the Portfolio Companies or the risk of the Incubators in case of operational loans. The loans for Portfolio Companies were received under the Old Directive 8.3 and the incubators' operational loans were received under the Track Benefit No. 3, see also Note 16(A)(4).

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

7. Leases

The Group accounts for a contract as a lease when the contract terms convey the right to control the use of an identified asset for a period of time in exchange for consideration.

1. The Group as a lessee:

For leases in which the Group is the lessee, the Group recognizes on the commencement date of the lease a right-of-use asset and a lease liability, excluding leases whose term is up to 12 months and leases for which the underlying asset is of low value. For these excluded leases, the Group has elected to recognize the lease payments as an expense in profit or loss on a straight-line basis over the lease term. In measuring the lease liability, the Group has elected to apply the practical expedient in IFRS 16 and does not separate the lease components from the non-lease components (such as management and maintenance services, etc.) included in a single contract.

Leases which entitle employees to a company car as part of their employment terms are accounted for as employee benefits in accordance with the provisions of IAS 19 and not as subleases.

On the commencement date, the lease liability includes all unpaid lease payments discounted at the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate. After the commencement date, the Group measures the lease liability using the effective interest rate method.

On the commencement date, the right-of-use asset is recognized in an amount equal to the lease liability plus lease payments already made on or before the commencement date and initial direct costs incurred. The right-of-use asset is measured applying the cost model and depreciated over the shorter of its useful life and the lease term.

Following are the amortization periods of the right-of-use assets by class of underlying asset:

	Years	Mainly
Lease facilities	3-10	10
Motor vehicles	3	3

The Group tests for impairment of the right-of-use asset whenever there are indications of impairment pursuant to the provisions of IAS 36.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

7. Leases (Cont.)

2. Variable lease payments that depend on an index:

On the commencement date, the Group uses the index rate prevailing on the commencement date to calculate the future lease payments.

For leases in which the Group is the lessee, the aggregate changes in future lease payments resulting from a change in the index are discounted (without a change in the discount rate applicable to the lease liability) and recorded as an adjustment of the lease liability and the right-of-use asset, only when there is a change in the cash flows resulting from the change in the index (that is, when the adjustment to the lease payments takes effect).

3. Lease extension and termination options:

A non-cancelable lease term includes both the periods covered by an option to extend the lease when it is reasonably certain that the extension option will be exercised, and the periods covered by a lease termination option when it is reasonably certain that the termination option will not be exercised.

In the event of any change in the expected exercise of the lease extension option or in the expected non-exercise of the lease termination option, the Group remeasures the lease liability based on the revised lease term using a revised discount rate as of the date of the change in expectations. The total change is recognized in the carrying amount of the right-of-use asset until it is reduced to zero, and any further reductions are recognized in profit or loss.

4. Lease modifications:

If a lease modification does not reduce the scope of the lease and does not result in a separate lease, the Group remeasures the lease liability based on the modified lease terms using a revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

If a lease modification reduces the scope of the lease, the Group recognizes a gain or loss arising from the partial or full reduction of the carrying amount of the right-of-use asset and the lease liability. The Group subsequently remeasures the carrying amount of the lease liability according to the revised lease terms, at the revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

8. Property, plant and equipment

Property, plant and equipment are measured at cost, including direct attributable costs, less accumulated depreciation, accumulated impairment losses and excluding day-to-day servicing expenses. Cost includes spare parts and auxiliary equipment that are used in connection with plant and equipment.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%	Mainly %
Leasehold improvements (according to the lease term)	10-12.5	10
Office furniture and equipment	6-15	7
Computers and peripheral equipment	15-33	33

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Group and intended to be exercised) or the expected life of the leasehold improvement.

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized.

9. Research and development expenditures

Research and development ("R&D") expenditures in respect of contracted service agreements, are recognized in profit or loss when incurred.

10. Income taxes

Current or deferred taxes are recognized in profit or loss, except to the extent that they relate to items which are recognized in other comprehensive income or equity.

a. Current taxes

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date as well as adjustments required in connection with the tax liability in respect of previous years.

b. Deferred taxes

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

10. Income taxes (Cont.)

b. Deferred taxes (Cont.)

Deferred taxes are measured at the tax rate that is expected to apply when the asset is realized, or the liability is settled, based on tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is not probable that they will be utilized. Deductible carry-forward losses and temporary differences for which deferred tax assets had not been recognized are reviewed at each reporting date and a respective deferred tax asset is recognized to the extent that their utilization is probable.

Taxes that would apply in the event of the disposal of investments in investees have not been taken into account in computing deferred taxes, as long as the disposal of the investments in investees is not probable in the foreseeable future. Also, deferred taxes that would apply in the event of distribution of earnings by investees as dividends have not been taken into account in computing deferred taxes, since the distribution of dividends does not involve an additional tax liability or since it is the Group's policy not to initiate distribution of dividends from a subsidiary that would trigger an additional tax liability.

Deferred taxes are offset if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

11. Share-based payment transactions

The Group's employees, directors and other service providers are entitled to remuneration in the form of equity-settled share-based payments.

Equity-settled transactions:

The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments granted at the grant date. The fair value is determined using an acceptable option pricing model.

As for other service providers, the cost of the transactions is measured at the fair value of the goods or services received as consideration for equity instruments granted.

The cost of equity-settled transactions is recognized in profit or loss together with a corresponding increase in equity during the period which the performance and/or service conditions are to be satisfied ending on the date on which the relevant employees become entitled to the award (the "vesting period"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

12. Revenue recognition

Revenue from contracts with customers is recognized when the control over the goods or services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

a. Revenue from rendering of services:

Revenue from rendering of services is recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by the Group's performance. Revenue is recognized in the reporting periods in which the services are rendered. The Group charges its customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, the Group recognizes the resulting contract asset or liability.

b. Income from carried interests in funds

The Group, through subsidiaries, is the General Partner ("GP") in three funds (see Note 8). The GP is entitled to receive carried interests of 20% from the distribution of profits of the funds after repayment of the Limited Partners' investment in the funds. Income from these carried interests are recognized only to the extent it is highly probable that a significant reversal of the cumulative amount of revenue recognized will not occur.

c. Income from services to Portfolio Companies

The Group, through its Incubators, provides the Portfolio Companies with services in the area of technology development, business development, capital raising, access to IIA grants and administrative support. In consideration for the Incubators' obligation pursuant to Track Benefit No. 3 of the IIA to provide these services to the Portfolio Companies over the two-year incubation period, the Group receives equity interests in the Portfolio Companies. The Group recognizes in its financial statements deferred revenue (contract liability) in respect of the fair value of the benefit of these shares received from the IIA. Such deferred revenue is recognized over the two years of the incubation of the Portfolio Company. Under the Old Directive 8.3, upon obtaining an IIA loan, the benefit's value is computed as the difference between the amount of the loan from the IIA and its fair value, and under the Track Benefit No. 3, the benefit's value is computed as the difference between the fair value of the investment Portfolio Company and the supplementary funding invested by the Incubators see Note 16(A)(3)).

The Group has applied the practical expedient not to disclose information about its remaining performance obligations when the Group recognizes revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

12. Revenue recognition (Cont.)

c. Income from services to Portfolio Companies (Cont.)

Income recognized during the years ended 31 December 2023 and 2022 from amounts included in deferred revenue at the beginning of each period was US$626 and US$657, respectively.

In addition, in accordance with IIA regulations, the Group receives monthly capped overhead reimbursement from the Portfolio Companies.

13. Grants received

Grants received are recognized when there is reasonable assurance that the grants will be received, and the Group will comply with the attached conditions.

Grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the research project that will result in royalty-bearing sales.

A liability for the loan is first measured at fair value using a discount rate that reflects a market rate of interest. The difference between the amount of the grant received and the fair value of the liability is accounted for as a grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Royalty payments are treated as a reduction of the liability. If no economic benefits are expected from the research activity, the grant receipts are recognized as a reduction of the related research and development expenses. In that event, the royalty obligation is treated as a contingent liability in accordance with IAS 37.

At each reporting date, the Group evaluates whether there is reasonable assurance that the liability recognized, in whole or in part, will not be repaid (since the Group will not be required to pay royalties) based on the best estimate of future sales and using the original effective interest method, and if so, the appropriate amount of the liability is derecognized against a corresponding reduction in research and development expenses or operating, general and administrative expenses.

Grants received from Enterprise Singapore ("ESG") are recorded as a reduction of research and development expenses as the repayment of the grants is not presently probable - see Note 21.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

14. Earnings per share

Earnings per share are calculated by dividing the net income attributable to equity holders of the Company by the weighted number of ordinary shares outstanding during the period.

Potential ordinary shares (options, warrants and other convertible securities) are included in the computation of diluted earnings per share when their conversion decreases earnings per share or increases loss per share from continuing operations. Potential ordinary shares that are converted during the period are included in diluted earnings per share only until the conversion date and from that date in basic earnings per share. The Company's share of earnings of investees is included based on its share of earnings per share of the investees multiplied by the number of shares held by the Company.

15. Provisions

A provision in accordance with IAS 37 is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense is recognized in the statement of profit or loss net of any reimbursement.

16. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

The Group uses derivative financial instruments, forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to OCI as the Group assesses its hedges as effective and are later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

17. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

18. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards

a. Amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors"

In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors" ("the Amendment"), in which it introduces a new definition of "accounting estimates".

Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The Amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

The Amendment is applied prospectively for annual reporting periods beginning on 1 January 2023 and is applicable to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The application of the Amendment did not have a material impact on the Company's consolidated financial statements.

b. Amendment to IAS 12, "Income Taxes"

In May 2021, the IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12"), which narrows the scope of the initial recognition exception under IAS 12.15 and IAS 12.24 ("the Amendment").

According to the recognition guidelines of deferred tax assets and liabilities, IAS 12 excludes recognition of deferred tax assets and liabilities in respect of certain temporary differences arising from the initial recognition of certain transactions. This exception is referred to as the "initial recognition exception". The Amendment narrows the scope of the initial recognition exception and clarifies that it does not apply to the recognition of deferred tax assets and liabilities arising from transactions that are not a business combination and that give rise to equal taxable and deductible temporary differences, even if they meet the other criteria of the initial recognition exception.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

18. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards (Cont.)

b. Amendment to IAS 12, "Income Taxes" (Cont.)

The Amendment applies for annual reporting periods beginning on 1 January 2023. In relation to leases and decommissioning obligations, the Amendment is applied commencing from the earliest reporting period presented in the financial statements in which the Amendment is initially applied. The cumulative effect of the initial application of the Amendment is recognized as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at that date.

The application of the Amendment did not have a material impact on the Company's consolidated financial statements.

c. Amendment to IAS 1, "Disclosure of Accounting Policies"

In February 2021, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("the Amendment"), which replaces the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. One of the main reasons for the Amendment is the absence of a definition of the term 'significant' in IFRS whereas the term 'material' is defined in several standards and particularly in IAS 1.

The Amendment is applicable for annual periods beginning on 1 January 2023.

The application of the above Amendment had an effect on the disclosures of the Company's accounting policies, but did not affect the measurement, recognition or presentation of any items in the Company's consolidated financial statements.

d. Amendment to IAS 12, "Income Taxes"

In May 2023, the IASB issued "International Tax Reform-Pillar Two Model Rules - Amendment to IAS 12" ("the Amendment") to clarify the application of IAS 12, "Income Taxes", to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes).

The Amendment introduces

(a) A mandatory temporary exception from the application of IAS 12 regarding recognition and disclosure of deferred tax assets and liabilities arising from the implementation of the Pillar Two model rules; and

(b) Disclosure requirements for international entities affected by the international tax reform.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

B. Summary of accounting policies (Cont.)

18. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards (Cont.)

d. Amendment to IAS 12, "Income Taxes" (Cont.)

The mandatory temporary exception in (a) above – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on 1 January 2023.

The application of the Amendment did not have any impact on the Company's consolidated financial statements since the International Tax Reform does not apply to the Group whose annual revenues are less than € 750 million.

C. Significant accounting judgments, estimates and assumptions

1. Judgments

Determination of control

The Group assesses whether it controls a company in which it holds the majority or less than the majority of the voting rights by reference to, among others, the size of its holding of voting rights relative to the size and dispersion of holdings of the other vote holders including voting patterns at previous shareholders' meetings, its ability to direct the relevant activities of a company, including any significant operating and financial activities as well as the appointment of key management personnel, its ability to appoint the majority of the board of directors, and consideration of substantive rights of the other vote holders.

2. Estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

C. Significant accounting judgments, estimates and assumptions (Cont.)

2. Estimates and assumptions (Cont.)

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as growth rates, operating margins, discount rates and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument when available. To assess the significance of a particular input to the entire measurement, the Group performs sensitivity analysis or stress testing techniques. See also Notes 7 and 9.

D. DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION

1. Amendment to IAS 1, "Presentation of Financial Statements"

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" regarding the criteria for determining the classification of liabilities as current or non-current ("the Original Amendment"). In October 2022, the IASB issued a subsequent amendment ("the Subsequent Amendment").

According to the Subsequent Amendment:

Only financial covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.

In respect of a liability for which compliance with financial covenants is to be evaluated within twelve months from the reporting date, disclosure is required to enable users of the financial statements to assess the risks related to that liability. The Subsequent Amendment requires disclosure of the carrying amount of the liability, information about the financial covenants, and the facts and circumstances at the end of the reporting period that could result in the conclusion that the entity may have difficulty in complying with the financial covenants.

According to the Original Amendment, the conversion option of a liability affects the classification of the entire liability as current or non-current unless the conversion component is an equity instrument.

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

D. DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION (Cont.)

1. Amendment to IAS 1, "Presentation of Financial Statements" (Cont.)

The Original Amendment and Subsequent Amendment are both effective for annual periods beginning on or after 1 January 2024 and must be applied retrospectively. Early adoption is permitted.

The above Amendments are not expected to have a material impact on the Company's consolidated financial statements.

2. Amendment to IFRS 16, "Leases"

In September 2022, the IASB issued an amendment to IFRS 16, "Leases" ("the Amendment"), which provides guidance on how a seller-lessee should measure the lease liability arising in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The seller-lessee has to choose between two accounting policies for measuring the lease liability on the inception date of the lease. The accounting policy chosen must be applied consistently.

The Amendment is applicable for annual periods beginning on or after 1 January 2024. Early adoption is permitted. The Amendment is to be applied retrospectively.

The Company is evaluating the effects of the Amendment on its consolidated financial statements.

3. Amendments to IAS 7, "Statement of Cash Flows", and IFRS 7, "Financial Instruments Disclosures"

In May 2023, the IASB issued amendments to IAS 7, "Statement of Cash Flows", and IFRS 7, "Financial Instruments: Disclosures" ("the Amendments") to address the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements, as well as disclosures required for such arrangements.

The disclosure requirements in the Amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The Company believes that the Amendments are not expected to have a material impact on its consolidated financial statements.

U.S dollars in thousands, except share and per share data

NOTE 2:- MATERIAL ACCOUNTING POLICIES (Cont.)

D. DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION (Cont.)

4. Amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates"

In August 2023, the IASB issued "Amendments to IAS 21: Lack of Exchangeability (Amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates")" ("the Amendments") to clarify how an entity should assess whether a currency is exchangeable and how it should measure and determine a spot exchange rate when exchangeability is lacking.

The Amendments set out the requirements for determining the spot exchange rate when a currency lacks exchangeability. The Amendments require disclosure of information that will enable users of financial statements to understand how a currency not being exchangeable affects or is expected to affect the entity's financial performance, financial position and cash flows.

The Amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier adoption is permitted, in which case, an entity is required to disclose that fact. When applying the Amendments, an entity should not restate comparative information. Instead, if the foreign currency is not exchangeable at the beginning of the annual reporting period in which the Amendments are first applied (the initial application date), the entity should translate affected assets, liabilities and equity as required by the Amendments and recognize the differences as of the initial application date as an adjustment to the opening balance of retained earnings and/or to the foreign currency translation reserve, as required by the Amendments .

The Company believes that the Amendments are not expected to have a material impact on its consolidated financial statements.

NOTE 3:- SHORT-TERM BANK DEPOSITS

	The Group		The Company	
	31 December		31 December	
	2023	2022	2023	2022
Restricted short-term deposits	90	92	-	-
Short-term bank deposits	-	2,000 *)	-	2,000 *)
	90	2,092	-	2,000

*) During December 2022, the Group and the Company purchased a short-term deposit in the amount of $2,000 that matured in December 2023. The deposit bore an annual interest rate of 6.15%.

U.S dollars in thousands, except share and per share data

NOTE 4:- ACCOUNTS AND OTHER RECEIVABLES

Short-term

	The Group		The Company	
	31 December		31 December	
	2023	2022	2023	2022
Trade receivables *)	144	158	261	286
Short-term receivables from the sale of ApiFix **)	1,544	1,330	1,544	1,330
Cash held by trustee ***)	-	1,386	-	1,386
Receivable from sale of Orthospin **)	153	2,355	128	1,958
Government authorities	26	25	25	23
Related Parties	95	355	6,197	5,136
Others	428	720	286	558
	2,390	6,329	8,441	10,677

Long term

	The Group		The Company	
	31 December		31 December	
	2023	2022	2023	2022
Receivables from the sale of ApiFix **)	–	1,393	-	1,393
Related Parties	28	96	-	-
	28	1,489	-	1,393

*) Trade receivables are non-interest bearing and are generally on terms of 90 days. As of 31 December 2023, and 2022, trade receivables were neither past due nor impaired.

**) See note 9(B)(2),9(B)(3).

***) Primarily cash received from sale of ApiFix and held with a trustee which is available to the Company and the Group upon demand.

NOTE 5:- SHORT-TERM LOANS TO PORTFOLIO COMPANIES

	The Group		The Company	
	31 December		31 December	
	2023	2022	2023	2022
To Portfolio Companies - related parties (1)	119	91	116	91

(1) The loans bear interest of 4% per annum for the years ended 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 6:- PROPERTY, PLANT AND EQUIPMENT, NET

The Group

	Leasehold improvements	Office furniture and equipment	Computers and peripheral equipment	Total
Cost				
Balance as of 1 January 2022	1,695	928	607	3,230
Additions	40	(110)	47	(23)
Disposals	-	(15)	(14)	(29)
Balance as of 31 December 2022	1,735	803	640	3,178
Additions	18	22	38	78
Disposals	-	(11)	(5)	(16)
Balance as of 31 December 2023	1,753	814	673	3,240
Accumulated depreciation				
Balance as of 1 January 2022	1,198	346	485	2,029
Depreciation	162	82	84	328
Disposals	-	(15)	(12)	(27)
Balance as of 31 December 2022	1,360	413	557	2,330
Depreciation	109	57	59	225
Disposals	-	-	(1)	(1)
Balance as of 31 December 2023	1,469	470	615	2,554
Depreciated cost				
Balance as of 31 December 2023	284	344	58	686
Balance as of 31 December 2022	375	378	95	848

* The property, plant and equipment are primarily located in Israel.

U.S dollars in thousands, except share and per share data

NOTE 6:- PROPERTY, PLANT AND EQUIPMENT, NET (Cont.)

The Company

	Leasehold improvements	Office furniture and equipment	Computers and peripheral equipment	Total
Cost				
Balance as of 1 January 2022	897	298	431	1,626
Additions	40	12	32	84
Disposals	-	-	(14)	(14)
Balance as of 31 December 2022	937	310	449	1,696
Additions	18	2	20	40
Disposals	-	-	(1)	(1)
Balance as of 31 December 2023	955	312	468	1,735
Accumulated depreciation				
Balance as of 1 January 2022	553	199	351	1,103
Depreciation	72	21	47	140
Disposals	-	-	(12)	(12)
Balance as of 31 December 2022	625	220	386	1,231
Depreciation	68	9	39	116
Disposals	-	-	(1)	(1)
Balance as of 31 December 2023	693	229	424	1,346
Depreciated cost				
Balance as of 31 December 2023	262	83	44	389
Balance as of 31 December 2022	312	90	63	465

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 7:- FAIR VALUE MEASUREMENT

A. The following table presents the fair value measurement hierarchy for the Group's investments and loans.

	The Group							
	31 December 2023				31 December 2022			
	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

	The Company							
	31 December 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Contingent consideration receivable	–	–	–	–	–	–	744	744
	–	–	–	–	–	–	744	744
Financial liabilities								
Loan	–	–	342	342	–	–	292	292
Loans from IIA	–	–	1,169	1,169	–	–	1,197	1,197
	–	–	1,511	1,511	–	–	1,489	1,489

NOTE 7:- FAIR VALUE MEASUREMENT (Cont.)

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 an external independent valuator.

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 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.

NOTE 7:- FAIR VALUE MEASUREMENT (Cont.)

C. General Overview of Valuation Approaches used in the Valuation (Cont.)

1. Income Approach (Cont.)

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.

U.S dollars in thousands, except share and per share data

NOTE 7:- FAIR VALUE MEASUREMENT (Cont.)

C. General Overview of Valuation Approaches used in the Valuation (Cont.)

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average) % 2023	Range (weighted average) % 2022	Sensitivity of the input to fair value
Investments in Portfolio Companies	DCF - Expected royalties	Long-term growth rate for cash flows for subsequent years	–	–	Increase (decrease) in the growth rate would result in increase (decrease) in fair value
		NPV discount rate	–	–	Decrease (increase) in the NPV discount rate would result in increase (decrease) in fair value
	Market Comparable Approach	Revenue Multiplier	1.29-4.61 (3.02)	1.36-3.81 (2.59)	Increase (decrease) in the revenue multiplier would result in increase (decrease) in fair value
		Weighted average cost of capital (WACC)	25-50 (35)	25-50 (36)	Decrease (increase) in WACC rate would result in increase (decrease) in fair value
	Cost Approach	Weighted average cost of capital (WACC)	10-60 (35)	50-60 (54)	Decrease (increase) in WACC rate would result in increase (decrease) in fair value
Loans from IIA	Black and Scholes formula for option pricing	Expected term (years)	5 (5)	4-6 (4.97)	Increase (decrease) in the parameter would result in decrease (increase) in fair value
		Expected volatility (annual)	0-91 (47)	41-96 (64)	
		Risk free interest rate	1.2 (1.2)	0.6-0.9 (0.7)	
	Present value of the expected cash flows	Risk adjusted discount rate	10.7-11 (10.8)	9.9-10.8 (10)	

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 7:- FAIR VALUE MEASUREMENT (Cont.)

D. Reconciliation of fair value measurements that are categorized within Level 3 of the fair value hierarchy in financial instruments

	The Group	
	Investment in Portfolio Companies	**Loans from IIA**
As of 1 January 2022	83,046	(2,718)
Total gain (loss) recognized in profit or loss *)	(2,470)	427
Additions	9,201	(178)
As of 31 December 2022	89,777	(2,469)
Total gain (loss) recognized in profit or loss *)	(27,113)	355
Additions	3,745	(144)
As of 31 December 2023	66,409	(2,258)

*) Gains on investments in Portfolio Companies are recorded in "gain (loss) from change in fair value of investments in Portfolio Companies" and gains (loss) on loans from IIA are recorded in "Financial income (expenses)".

NOTE 8: - INVESTMENT IN INVESTEES

The Group holds 50% in Maryland Israel/Trendlines Fund GP LLC ("GP"), which is the general partner of Maryland Israel/Trendlines Fund LP ("MITF"), a venture capital fund of approximately $4,300 of committed capital raised from various limited partners. MITF does not pay management fees. The GP is entitled to receive 20% of MITF's net profit (the "20% carry"), to be paid only after the limited partners' capital is paid back by way of distributions by MITF to its limited partners. As of 31 December 2023, MITF has not yet reached the value or realization that would entitle the GP to receive the 20% carry.

In November 2019, the Group announced the first close of a fundraising round for its new Trendlines Agrifood Fund Pte Ltd. (the "Fund") with Trendlines Venture Holdings as a GP, together with the beginning of operations of the Trendlines Agrifood Innovation Centre in Singapore ("AFIC"). As of 31 December 2023, the investors committed to invest approximately $18,430 in redeemable shares of the Fund. As of the date of the approval of the financial statements, the Fund had called and received $14,514 (2022: $14,072).

AFIC as the fund manager has responsibility for identifying and sourcing investments for the Fund. As of 31 December 2023, the Fund has invested in nine companies, three of which are also held by the Group as portfolio companies (Including one company that was written off during 2023), in which AFIC holds less than 10%. AFIC is entitled to 2% of the committed amount as a management fee. The management fee is recorded in other income in profit and loss for the years ended 31 December 2023 and 2022 is $369 and $292, respectively. The GP will receive a 20% carried interest from the profits of the Fund after full repayment of the initial investments of the fund investors and a hurdle interest of 6%. As of 31 December 2023, the GP is not entitled to any carried interest from the Fund.

U.S dollars in thousands, except share and per share data

NOTE 8: - INVESTMENT IN INVESTEES (Cont.)

The Bayer Trendlines Ag Innovation Fund ("Bayer Fund"") with AgFund GP as the GP – as of 31 December 2023, The Bayer Fund invested in 4 companies (simultaneously with the investment and or establishment of the same 4 companies as part of our portfolio companies). The Bayer Fund does not pay management fees (except for participation in part of the salary of one employee), did not dispose of any of its holdings and has not yet reached the value or realization that would entitle the GP to receive the 20% carry.

Name of company (Country of incorporation and place of business)	Principal activities	Proportion of ownership interest	
		2023 %	2022 %
InterVaal Pte Ltd	Reduced catheter-associated urinary tract infections	91.53	91.53
Continale Medical Pte Ltd	Device to alleviate stress urinary incontinence	93.05	93.05
Avir Medical Pte Ltd	Endotracheal tube reduces ventilator-associated pneumonia	*)	80.05
Medulla Pro Technology Pte Ltd	Ultrasound-guided imaging for lumbar puncture	84.43	94.08
Ayzer Sense Technology Pte Ltd	Body pressure redistributor prevents pressure ulcers	77.63	77.63
Endosiq Technology Pte Ltd	Proprietary software to analyze real-time images of the bladder	83.10	81.46
Szone Medical Pte Ltd	Noninvasive hydration device	86.03	84.81
NICE Surgical Solutions Pte. Ltd.	Tools for more efficient intracorporeal colorectal anastomosis	81.62	79.81
Occutrack Medical Solutions Pte. Ltd.	Monitoring conditions that lead to deteriorating visual acuity	81.42	81.15
Nasotrak Medical Pte. Ltd.	Nasogastric tube safety system	81.07	81.98
STEP Surgical Solutions Pte. Ltd.	Fluid-operated tacker and cutting instrument	83.00	83.00
Dermucut Medical Pte. Ltd.	Solution to improve scar revision outcomes	89.77	88.24
Tendonplus Medical Pte. Ltd.	Preventing sutures from cutting into the tendon to reduce post-surgery rotator cuff failure	86.06	84.86

*) the company was liquidated during 2023.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 9:- INVESTMENTS IN PORTFOLIO COMPANIES

A. Information on Portfolio Companies

The following is the number of Portfolio Companies and fair value:

	31 December 2023		31 December 2022	
	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

B. Sale transactions

1. In November 2014, Stimatix GI ("Stimatix") a Portfolio Company, signed an Asset Purchase Agreement with a third-party strategic partner. The Asset Purchase Agreement was an asset acquisition of the Portfolio Company's medical device product and other assets (the "Product"), for cash consideration and for royalties on future net sales. Since transaction date, the Group received $2,700 as a dividend from Stimatix.

   The fair value of this Portfolio Company on 31 December 2021 was $7,945 which was written off as a result of the acquirer discontinuing the marketing of the product of Stimatix. Accordingly, a loss of $7,945 was recorded in the income statement as part of the Group's gain (loss) from change in fair value of investments in Portfolio Companies, net.

2. In April 2020, ApiFix Ltd., a Portfolio Company held by the Group was acquired by Nasdaq-traded OrthoPediatrics Corp. During 2020 – 2022 the Group received $12,306 from the exit of ApiFix and is expected to receive its portion (18.62%) of the following receivables (i) $8,000, of which at least 25% will be paid in cash, on the third anniversary of the Closing Date; and (ii) $9,000, of which at least 25% will be paid in cash, on the fourth anniversary of the Closing Date. In addition, to the extent that the product of OrthoPediatrics' revenues from the ApiFix System for the twelve months ended 31 March 2024 multiplied by 2.25 exceeds the $17,000 Anniversary Payments actually made for the third and fourth years, OrthoPediatrics will pay the ApiFix shareholders the amount of the excess ("Earnout").

   According to an updated valuation as of 31 December 2023, based on the updated valuation, the Company recorded the Fourth Year Payments in the discounted amount of $1,544 (2022: $1,488) in current Accounts and Other Receivables.

U.S dollars in thousands, except share and per share data

NOTE 10:- IFRS 16, "Leases"

a. Lease extension options

The Group has leases that include extension options. These options provide flexibility in managing the leased assets and align with the Company's business needs.

The Group exercises significant judgement in deciding whether it is reasonably certain that the extension options will be exercised.

In leases of office space, the Group generally includes in the lease term the exercise of extension options existing in the lease agreements. In these leases, the Group usually exercises the extension option to avoid a significant adverse impact to its operating activities in the event that an alternative asset is not available immediately upon termination of the noncancelable lease period.

b. Right-of-use assets

The Group leased their premises and vehicles for various periods, the latest of which ends in 2028. The underlining leased assets are primarily located in Israel.

Right-of-use assets

Cost	
Balance as of 1 January 2022	4,606
Disposals	(192)
Balance as of 31 December 2022	4,414
Additions	826
Disposals	(772)
Balance as of 31 December 2023	4,468
Accumulated depreciation	
Balance as of 1 January 2022	1,854
Depreciation charge	602
Disposals	(100)
Balance as of 31 December 2022	2,356
Depreciation charge	547
Disposals	(675)
Balance as of 31 December 2023	2,228
Cost, net accumulated depreciation	
At 31 December 2022	2,058
At 31 December 2023	2,240

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 10:- IFRS 16, "Leases" (Cont.)

c. Statement of comprehensive income

The following items have been included in arriving at profit before taxation

2023	
Depreciation of right-of-use asset	547
Interest expense on lease liabilities	81
Total amount recognized in profit or loss	628
2022	
Depreciation of right-of-use asset	602
Interest expense on lease liabilities	42
Total amount recognized in profit or loss	644

d. Total cash outflows:

The Group had total cash outflows for leases of US$548 (US$642 as of 31 December 2022) during the financial year.

e. The Group subleased its leased space to its portfolio companies and recognized 65 as short-term receivables and 28 as long-term receivables.

f. For an analysis of maturity dates of lease liabilities, see Note 14A.

NOTE 11:- SHORT-TERM LOANS

During November 2021, Agriline Limited ("Agriline"), a related party, agreed to grant a loan in the principal amount of up to $700 (the "Loan") to the Group, for the purpose of financing a part of the Group's participation in the Series C fund-raising round of Vensica Medical Ltd. ("Vensica"), a portfolio company of the Group. As of 31 December 2023, the Group received a loan amount of $233. The Loan bears a fixed annual interest rate of 7%. As a security for the Loan, the Group has (a) placed a first ranking fixed pledge and charge, in favor of Agriline, over the 30,887 shares of Vensica purchased with the Loan proceeds (the "Pledged Shares"). In addition, under the Loan Agreement, in consideration of Agriline waiving the Group's payment obligation of the Loan and all accrued interest until an Exit Event (as defined in the Loan agreement), the Group had agreed to pay to Agriline 20% of the profits (if any) that the Group has made on the Pledged Shares pursuant to the Exit Event (based on the investment amount of $700 being the principal amount of the Loan), but which shall in aggregate be capped at $4,500 (the "Additional Maximum Payment"). For the avoidance of any doubt, in the event the Group does not make any profit on the Pledged Shares pursuant to the Exit Event, there is no obligation of the Group to make the Additional Maximum Payment to Agriline. As of 31 December 2023, the fair value of the loan is $342. ($292 as of 31 December 2022)

During 2021, the Group received a $4,000 bank loan pledged by a deposit of $4,000 that matured in January 2022. The bank loan was drawn down for working capital purposes. The loan bore a monthly interest rate of LIBOR + 3.5%.

U.S dollars in thousands, except share and per share data

NOTE 12:- TRADE AND OTHER PAYABLES

	The Group		The Company	
	31 December		31 December	
	2023	2022	2023	2022
Trade payables	182	49	181	49
Employees and payroll accruals	258	226	195	164
Accrued vacation pay	317	268	240	218
Accrued expenses	2,237	2,739	460	2,046
Other payables	154	111	121	85
	3,148	3,393	1,197	2,562

NOTE 13:- LOANS FROM THE ISRAEL INNOVATION AUTHORITY

Composition of Loans from the IIA:

	The Group		The Company	
	31 December		31 December	
	2023	2022	2023	2022
Old 8.3 Loans (see Note 16(A)(4))	135	266	135	124
Operation Loans (see Note 16(A)(5))	2,123	2,203	1,034	1,073
	2,258	2,469	1,169	1,197

NOTE 14:- FINANCIAL INSTRUMENTS

A. Financial risk management objectives and policies

The Group's activities expose it to various financial risks such as market risk, foreign currency risk, credit risk and liquidity risk. The Group focuses on activities that reduce to a minimum any possible adverse effect on the Group's financial performance.

The Group's senior management is updating the audit committee and the board on those risks periodically, those risks are measured and managed in accordance with the Group's policies and objectives. All derivative activities for risk management purposes are carried out by the finance team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board reviews and approves the policies for each of the risks summarized below.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises principally foreign currency risk. Financial instruments affected by market risk include, among others, cash and cash equivalents and lease liabilities.

U.S dollars in thousands, except share and per share data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

A. Financial risk management objectives and policies (Cont.)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.

The Group's exposure to foreign currency risk relates primarily to cash and cash equivalents, lease liabilities and to certain operating expenses denominated in New Israel Shekel (NIS).

As of 31 December 2023, the Group has financial assets consisted mainly of cash and cash equivalents in NIS totaling approximately $1,666 (approximately $1,863 as of 31 December 2022). The exposure to foreign currency risk arising from lease liabilities is insignificant.

Foreign currency sensitivity analysis:

The following table demonstrates the sensitivity test to a reasonably possible change in NIS in relation to the US $ exchange rate, with all other variables held constant.

	Change in NIS rate	Effect on income before taxes
2023	5%	83
	(5%)	(83)
2022	5%	93
	(5%)	(93)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations as a customer or under a financial instrument leading to a loss to the Group. The Group is exposed to credit risk primarily from its receivables arising from the sale of ApiFix and sale of Orthospin (see Note 9(B)(2) and 9(B)(3) and from its cash and deposits with banks.

Credit risk from the Group's receivables arising from the sale of ApiFix is managed by the Group subject to the Group's policy, procedures and control relating to customer credit risk management. Credit quality is assessed based on a credit analysis and rating are defined in accordance with this assessment. The Group does not hold collateral as security for these receivables.

Credit risk from balances with banks is managed by the Group's management in accordance with the Group's policy. Investments of funds are made only with high credit-quality institutions.

U.S dollars in thousands, except share and per share data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

A. Financial risk management objectives and policies (Cont.)

Liquidity risk

The table below presents the maturity profile of the Group's financial liabilities and lease liabilities based on contractual undiscounted payments:

The Group

As of 31 December 2023

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years	> 5 years	Total
Trade and other payables	3,148	-	-	-	-	-	3,148
Short term loans	342	-	-	-	-	-	342
Lease liability	602	504	468	314	304	-	2,192
Other long-term liabilities	-	-	-	-	-	220	220
Loans from IIA *)	11,565	1,696	-	725	3,826	-	17,812
	15,657	2,200	468	1,039	4,130	220	23,714

As of 31 December 2022

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years	> 5 years	Total
Trade and other payables	3,393	-	-	-	-	-	3,393
Short term loans	292	-	-	-	-	-	292
Lease liability	609	506	469	314	304	304	2,506
Other long-term liabilities	-	-	-	-	-	224	224
Loans from IIA *)	11,292	1,656	-	-	4,444	-	17,392
	15,586	2,162	469	314	4,748	528	23,807

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NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

A. Financial risk management objectives and policies (Cont.)

The Company

As of 31 December 2023

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years	> 5 years	Total
Trade and other payables	1,197	-	-	-	-	-	1,197
Short term loan	342	-	-	-	-	-	342
Lease liability	329	275	239	202	405	-	1,450
Other long-term liabilities	-	-	-	-	-	206	206
Loans from IIA *)	3,267	628	-	-	1,814	-	5,709
	5,135	903	239	202	2,219	206	8,904

As of 31 December 2022

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years	> 5 years	Total
Trade and other payables	2,562	-	-	-	-	-	2,562
Short term loan	292	-	-	-	-	-	292
Other long-term liabilities	-	-	-	-	-	213	213
Loans from IIA *)	3,190	614	-	-	1,771	-	5,575
	6,044	614	-	-	1,771	213	8,642

*) The amounts presented represent the full liability based on the principal amounts and accrued interest. As mentioned in Note 16(A)(4), the loans under the Old Directive 8.3 can be settled by surrendering the pledged shares of the Portfolio Companies and may be extended annually by an additional year for the eight years period following the end of the incubator period of the Portfolio Company.

U.S dollars in thousands, except share and per share data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

A. Financial risk management objectives and policies (Cont.)

Changes in liabilities arising from financing activities

	Lease liability	Loans from IIA	Loans
Balance as of 1 January 2023	2,093	2,469	292
Additions	826	144	-
Repayments	(548)	-	-
Effect of changes in exchange rates	(327)	(78)	-
Effect of changes in fair value	-	(277)	50
Balance as of 31 December 2023	2,044	2,258	342
Balance as of 1 January 2022	3,050	2,718	4,241
Additions	-	178	-
Repayments	(642)	-	(4,008)
Effect of changes in exchange rates	(315)	(329)	-
Effect of changes in fair value	-	(98)	59
Balance as of 31 December 2022	2,093	2,469	292

Carrying amounts as presented

	31 December 2023	31 December 2022
Lease liability		
Current	410	419
Non-current	1,634	1,674
Total	2,044	2,093

B. Fair value

Management believes that the carrying amount of short-term deposits, short-term loans, accounts and other receivables, and trade and other payables approximate their fair value due to the short-term maturities of these instruments.

C. Cash flow Hedging activities and derivatives

Derivatives designated as hedging instruments reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future expenses in NIS. The changes in the fair value of the hedging instruments are measured through OCI, as the Group assesses them as effective.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 15:- TAXES ON INCOME

A. Tax rates applicable to the Group

The Israeli corporate tax rate is 23% in 2023 and 2022.

B. Final tax assessments

The Company and its Subsidiaries in Israel have not received final tax assessments since their incorporation, however, self-assessments are deemed final through 2018 tax year.

C. Carry-forward losses for tax purposes

Carry-forward operating tax losses as of 31 December 2023 of the Company and the Israeli subsidiaries total approximately $66,724 (2022: $60,385). There is no expiration date for the utilization of the carry-forward losses. Deferred tax asset in respect of carryforward losses has been recognized up to the amount of the deferred tax lability recognized.

D. Deferred taxes

	Statements of financial position				Statements of profit or loss	
	The Group		The Company		Year ended 31 December	
	31 December					
	2023	2022	2023	2022	2023	2022
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	6,903	11,416	4,820	9,234	(4,513)	1,160
Loans from IIA	2,981	2,850	448	425	131	(556)
	9,884	14,266	5,268	9,659	(4,382)	604
Deferred tax assets:						
Carry-forward tax losses	9,462	13,186	5,268	9,659	3,724	2,369
Deferred revenues	204	800	-	-	596	478
Other	218	280	-	-	62	(87)
	9,884	14,266	5,268	9,659	4,382	2,760
Deferred tax (benefit)					-	(2,156)
Deferred tax liabilities, net	-	-	-	-		

The deferred taxes are computed at the tax rate of 23% based on the tax rates that are expected to apply upon realization.

U.S dollars in thousands, except share and per share data

NOTE 15:- TAXES ON INCOME (Cont.)

D. Deferred taxes (Cont.)

The Group offsets tax assets and tax liabilities if and only if it has a legally enforceable tight to set off current tax assets and liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Carry-forward tax losses are recognized only to the amount of deferred tax liabilities as of 31 December 2023.

Deferred tax assets have not been recognized in respect of some of these tax losses as they may not be used to offset taxable profits elsewhere in the Group and management had determined that it was not probable that such tax losses may be utilized due to recent history of tax losses. If the Group were able to recognize all unrecognized deferred tax assets, the loss would decrease significantly. Tax losses are subject to agreement from tax authorities.

E. Theoretical tax

The reconciliation between the tax expense, assuming that all the income, expenses, gains and losses in profit or loss were taxed at the statutory tax rate and the taxes on income recorded in profit or loss is as follows:

	Year ended 31 December	
	2023	2022
Loss before income taxes	(34,721)	(17,319)
Statutory tax rate	23%	23%
Tax computed at the statutory tax rate	(7,986)	(3,983)
Increase (decrease) in taxes on income resulting from the following:		
Increase in unrecognized tax losses	1,302	912
Differences in measurement basis	6,718	3,379
Utilization of previously unrecognized tax losses	-	(2,496)
Non-deductible expenses for tax purposes	(53)	56
Other	19	(24)
Tax benefit	-	(2,156)

NOTE 16:- COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES

A. Agtech - Incubator operating under the IIA Regulations

1. The Israeli Research and Development Law

The IIA is responsible for implementing the Israeli government's policy of encouraging and supporting industrial research and development in Israel through the R&D Law. Any entity receiving funding from the IIA is subject to the Israeli Law for Encouragement of Industrial Research and Development, 5744-1984 (the "R&D Law").

The IIA provides a variety of support programs within the framework of directives issued by the Director-General of the Israeli Ministry of Economy. Under the R&D Law, R&D projects that meet certain specified criteria and are approved by the IIA designated committee are eligible for grants.

In most of the IIA sponsored programs the recipient company repays the grants through royalty payments from revenues generated by the sale of products and/or services developed in the framework of the approved R&D program. Royalties are payable to the IIA in order to cover the amount of the grant, and are repaid with interest at the LIBOR rate, as prescribed under the R&D Law.

The R&D Law places strict constraints on the transfer of know-how and/or manufacturing rights, and all such transfers are subject to the absolute discretion of an IIA designated committee. Any such transfers require prior written approval of such committee and may entail additional payment at the discretion of the IIA.

2. Incubator Activity Under Track Benefit No. 3

The key material provisions of Track Benefit No. 3 are as follows:

Government funding is granted directly to the Portfolio Companies and not as a loan to the Incubator (as with Old Directive 8.3) in an amount equal to 85% of the approved budget.

The Incubator is required to invest the supplementary funding (15% of the approved budget), in the Portfolio Company in exchange for shares in the Portfolio Companies.

Repayment of the grants by the Portfolio Companies is through royalties from sales of the Portfolio Companies, according to the R&D Law and the related regulations (see Note 16(A)(1)).

Typically, the approved budget per new Portfolio Company that operates in the Incubator program is approximately NIS 2,000 (approximately $620). As The incubator is a Peripheral Incubator, the Portfolio Company is entitled to a higher budget of NIS 2,500 (approximately $780), in the Agtech field and on medical device projects, of NIS 3,000-3,500 (approximately $935-$1,095).

The Incubator is obligated to fund the fixed operating costs of each Incubator in an amount equivalent to 15% of the project budget.

In exchange for its investment, for the funds brought by the Incubator from the IIA, and for support, the incubator can receive up to 50% equity in a Portfolio Company, (and up to 85% for a Portfolio Company based on a technology licensed from a research institution).

NOTE 16:- COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES (Cont.)

A. Agtech - Incubator operating under the IIA Regulations (Cont.)

3. Incubator Obligations and Rights Related to Portfolio Companies under Old Directive No. 8.3

Under Old Directive 8.3, the IIA provided the Trendlines Incubators with a loan of up to 85% of the approved budget per Portfolio Company (the "government funding") for investment in each Portfolio Company.

In addition, the Trendlines Incubators invested the 15% supplementary funding in each Portfolio Company.

In exchange for the government funding and for financing the Portfolio Companies, the Trendlines Incubators received 25% - 65% of the share capital of each Portfolio Company.

Additionally, in exchange for financing the overhead operation expenses of the Trendlines Incubators, the Trendlines Incubators received up to 5% of the shares of each Portfolio Company admitted into the Incubator ("Operating Shares").

The IIA has a first lien over 50% of these operating shares as security for the operations loans received (see Note 16(A)(6) below).

4. Return of IIA Loans for Portfolio Companies by Trendlines Incubators Under Old Directive 8.3

The terms of the loans which were granted to the Trendlines Incubators for Portfolio Companies according to the Old Directive 8.3 are:

a) Upon sale of shares of a Portfolio Company, the Incubator Companies will repay the State of Israel at least 25% of the consideration received or the balance of the loan for the Portfolio Company if it is lower.

b) Upon receipt of dividends from Portfolio Companies, the Incubator Companies will repay the State of Israel at least 25% of the dividend or the balance of the loan for the Portfolio Company if it is lower.

c) The Incubator Companies shall repay the loan plus interest as set out by the "Adjudication of Interest and Linkage Law - 1961" four years following the end of the incubator period of the Portfolio Company ("Repayment Date"), except for the following:

1. A loan Repayment Date may be extended annually by an additional year, to the later of (1) 31 December 2014 or (2) eight years following the end of the incubator period of the Portfolio Company.

2. In consideration for prolonging the Repayment Dates of loans when their Repayment Dates are up to 31 December of a certain year, the Incubator Companies shall pay the State of Israel, until March 1 of the following year, 1% of the balance of those loans, but not to exceed NIS 200 (approximately $55) linked to the Consumer Price of July 2011.

NOTE 16:- COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES (Cont.)

A. Agtech - Incubator operating under the IIA Regulations (Cont.)

4. Return of IIA Loans for Portfolio Companies by Trendlines Incubators Under Old Directive 8.3 (Cont.)

In the event that the loans are not repaid as mentioned above, the IIA will have the right to exercise the lien on the pledged shares of the Portfolio Company in order to settle the balance of the Government Funding for the Portfolio Company (see Note 16(A)(7) below).

5. Return of Loans for Incubator Operations

Through its franchise period, Agtech which was situated in a national priority region, had benefits from its status of Peripheral Incubator. For the purpose of operating loans, Agtech was entitled to a loan for each year of activity in an amount not to exceed approximately $175.

The Operations Loans will be returned to the State as follows:

a) Operations Loans that were granted under Track Benefit No. 3 - the incubator will repay 25% of the proceeds from the sale of shares of a Portfolio Company or dividend received from the Portfolio Companies, until the Operations Loan is repaid in full, including interest.

b) Operations Loans that were received under Old Directive 8.3, before January 2011 - the incubator will repay the loans to the IIA upon the earlier of the following dates:

a. After seven years from the start of the agreement period (i.e., 1 September 2017).

b. Upon the sale of shares of a Portfolio Company that was established during the agreement period, the incubator will repay the Operations Loan from proceeds from the sale of the Operating Shares of such sale, until full repayment of the Operations Loan, including interest.

c. In the case where the incubator does not return the Operations Loan within the period specified by the State, the State may exercise its lien on the Operating Shares to receive shares in the Portfolio Company. As of 31 December 2023, the State has not exercised its lien over the Operating Shares. See Note 16(A)(6) for description of the liens.

6. Pledges and Liens According to Old Directive 8.3

a. In the framework of the Incubator Program, the Trendlines Incubators are obligated to fund annual operating expenses of approximately $390 for the incubator. In order to secure this commitment, the Trendlines Incubator provided a bank guarantee for the benefit of the State of Israel in an amount equal to 50% of the investment amount (as a peripheral incubator) (approximately $195) in Agtech. This guarantee is in effect until the end of the three months following the termination of the agreement.

U.S dollars in thousands, except share and per share data

NOTE 16:- COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES (Cont.)

A. Agtech - Incubator operating under the IIA Regulations (Cont.)

6. Pledges and Liens According to Old Directive 8.3 (Cont.)

b. As security for the government funding, the Portfolio Companies, and the fixed expenses for operation under Old Directive 8.3, the State of Israel has first lien over the shares in the Portfolio Companies held by the Trendlines Incubator. This lien includes 50% of the operational shares held by Agtech. Accordingly, in the case where the investment in a Portfolio Company is written-off, the Government Funding for the Portfolio Company will be written-off as well and the pledged shares of the Portfolio Company will be available to the State of Israel.

7. Incubator Activity under Directive No. 8.2

The Trendlines Incubators functioned as non-profit entities until 31 August 2007. Under Directive 8.2 the IIA committed a grant of up to 100% of the approved budgetary finance for the operation of each Incubator.

In the event that the Incubator sells its shares in the Portfolio Companies (admitted under Directive 8.2), the Incubator will refund 25% of its consideration from the sale of the said Portfolio Company shares to the Israeli government, not to exceed the amount of the Israeli government Grant for each Incubator.

The balance of the proceeds of the sale must be invested in the Incubator for the purpose of increasing its operating budget, including investments in Portfolio Companies.

B. Other

In January 2018, a claim was filed against the Group and its CO-CEO's and CO-chairmen in the amount of NIS 558 (approximately $179), claiming that the Company was committed to pay the complainant success fees for certain investments in the Group by a specific investor.

In January 2022, the parties reached a settlement agreement for a payout in the final amount of NIS 180 (approximately $58). The settlement agreement was approved by the court.

NOTE 17:- EQUITY

A. Composition of Equity

	31 December 2023		31 December 2022	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares			
Ordinary shares NIS 0.01 par value	1,500,000,000	960,110,294	1,500,000,000	875,650,838

U.S dollars in thousands, except share and per share data

NOTE 17:- EQUITY (Cont.)

A. Composition of Equity (Cont.)

During January 2022, the Group entered into subscription agreements to raise approximately S$20.3 million (approximately US$15,000). Trendlines intends to issue 168,918,912 new Ordinary shares at an issue price of S$0.12 per share through the Proposed Subscription. Payment by the Subscribers will be made in eight (8) equal tranches based on the aggregate number of Ordinary Shares allocated to each Subscriber.

During 2022 and 2023 the Company's share capital increased 84,459,456 shares. The shares were issued for a total consideration of US$7.47 million (US$7.5 million net of issuances cost of US$0.03 million).

B. Capital management

The Company's objectives for managing capital are:

- To preserve the Group's ability to ensure business continuity thereby creating a return for the shareholders, investors and other interested parties.
- To maintain risk-free financial leverage.
- The Company is not subject to any externals (regulations or others) instruction on capital preservation.
- No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022.

NOTE 18:- SHARE-BASED PAYMENT

A. Expenses recognized in the financial statements

The expense in respect of equity-settled share-based payment plans recognized in the financial statements is shown in the following table:

	Year ended 31 December	
	2023	**2022**
Operating, general and administrative expenses	316	677
R&D expenses	42	(119) *)
	358	558

*) Due to forfeitures.

NOTE 18:- SHARE-BASED PAYMENT (Cont.)

B. Employees Stock Option Plan

In 2011, the Group adopted the Trendlines Group Ltd. 2011 Global Incentive Option Plan (the "2011 Plan").

Under the 2011 Plan, options may be granted to the Group's officers, directors, employees and consultants. The number of Ordinary shares authorized for issuance under the 2011 Plan amount to 53,125,664. In addition, following the adoption of the 2015 Plan, no new options shall be granted under the 2011 Plan, and no additional Ordinary shares shall be reserved for issuance under the 2011 Plan.

Under the 2011 Plan, the grantee may exercise its options to acquire Ordinary shares at an exercise price as determined by the board of directors at the grant date.

On 11 November 2015, a Special General Meeting of Shareholders approved adoption of The Trendlines 2015 Share Option Plan and the Sub-Plan (the "2015 Plan").

Under this plan at all times until the expiration or termination of the Plan the Company should keep reserved a sufficient number of Shares to meet the requirements of the Plan (the "Option Pool"). Any of such Shares which, as of the expiration or termination of the Plan, remain unissued and not subject to outstanding Options, shall at such time cease to be reserved for the purposes of the Plan. Should any Option for any reason expire or be cancelled prior to its exercise or relinquishment in full, such Option may be returned to the pool of Options and may again be granted under the Plan. The aggregate number of Shares reserved as Option Pool in respect of all Options granted under the Plan available to Plan Controlling Shareholders or Associates of the Company's Plan Controlling Shareholders (including adjustments made in accordance with Section 12 of the Plan) shall not exceed 5% of the Shares available under the Plan. The number of Shares reserved as Option Pool in respect of all Options granted under the Plan available to each Plan Controlling Shareholder or Associate of our Plan Controlling Shareholder (including adjustments made in accordance with Section 12 of the Plan) shall also not exceed 1% of the Shares available under the Plan.

The Exercise Price for each Grantee shall be as determined by a Committee appointed by the Board (the "Committee"). The Committee specified in the applicable Option Agreement; provided, that: (i) unless otherwise determined by the Committee (which determination shall not require shareholder approval, unless so required in order to comply with the provisions of applicable Mandatory Law (including, for the avoidance of doubt, the Listing Manual)), the Exercise Price shall be the Fair Market Value of the Shares on the Date of Grant ("Fair Market Value Option"); and (ii) where the Exercise Price is set at a discount to the Fair Market Value of the Shares, the maximum discount shall not exceed 20% of the Fair Market Value of the Shares (or such other percentage or amount as may be determined by the Committee and permitted by the Sponsor or (if required) any other stock exchange on which the Shares are quoted ("Discounted Option").

Fair Market Value Options may be exercised after the first anniversary of the Date of Grant of that Option while Discounted Options may only be exercised after the second anniversary from the Date of Grant of the Option ("Cliff Period"). Unless otherwise determined by the Committee with respect to any specific Grantee and/or to any specific grant following the Cliff Period, the options shall vest upon the lapse of each full additional one (1) month thereafter of the Grantee's continuous service thereafter, until all the Options vested (that is, 100% of the grant will be vested after three (3) years). Unexercised Options shall expire and terminate and become null and void upon the lapse of 10 years from the Date of Grant.

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 18:- SHARE-BASED PAYMENT (Cont.)

B. Employees Stock Option Plan (Cont.)

On 16 April 2022, the Company's board of directors approved the grant of 12,000,000 options to purchase 12,000,000 Ordinary shares of the Company to directors of the Company at an exercise price of S$0.107 (approximately $0.07) per share. The grant date fair value of the options in the amount of $409 (approximately $0.035 per unit) was determined using the binomial option pricing model.

On 6 June 2023, the Company's board of directors approved the grant of 3,535,000 options to purchase 3,535,000 Ordinary shares of the Company to directors of the Company at an exercise price of S$0.097 (approximately $0.07) per share. The grant date fair value of the options in the amount of $158 (approximately $0.043 per unit) was determined using the binomial option pricing model.

On 3 February 2023, the Company's board of directors approved the grant of 2,250,000 options to purchase 2,250,000 Ordinary shares of the Company to directors of the Company at an exercise price of S$0.096 (approximately $0.07) per share. The grant date fair value of the options in the amount of $104 (approximately $0.046 per unit) was determined using the binomial option pricing model.

The fair value for options granted during 2023 and 2022 was estimated using the binomial option pricing model with the following assumptions:

	2023	2022
Share price	0.07	0.075
Dividend yield (%)	0	0
Expected volatility of the share price (%)	34-35	37
Risk-free interest rate (%)	2.74-3.56	1.65-2.81
Expected life of share options (years)	10	10

C. Movement during the Year

The following table lists the number of share options and the weighted average exercise prices of share options in employee option plans:

	31 December 2023		31 December 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		U.S dollars		U.S dollars
Options outstanding at beginning of year	81,398,749	0.10	77,267,628	0.10
Issuance of options during the year	5,785,000	0.07	12,000,000	0.08
Options expired and forfeited during the year	(1,125,002)	0.08	(7,868,879)	0.06
Options outstanding at end of year	86,058,747	0.10	81,398,749	0.10
Options exercisable at end of year	69,742,087	0.10	56,931,999	0.10

U.S dollars in thousands, except share and per share data

NOTE 18:- SHARE-BASED PAYMENT (Cont.)

D. The weighted average remaining contractual life for the share options outstanding as of 31 December 2023 was 5.23 years (as of 31 December 2022 - 5.94 years).

E. The range of exercise prices for share options outstanding as of 31 December 2023 and 31 December 2022, was $0.07 - $0.24.

NOTE 19:- SELECTED STATEMENTS OF OPERATIONS DATA

A. Operating general and administrative expenses

	Year ended 31 December	
	2023	**2022**
Salaries and related expenses (including share-based payment)	5,647	7,409
Professional services	1,845	1,381
Consulting	423	868
Communications and offices	581	635
Vehicle expenses	188	167
Travel abroad	279	241
Depreciation	772	930
Miscellaneous	457	133
Less - grants received from ESG	(366)	(149)
	9,826	11,615

B. R&D expenses, net

	2023	2022
Salaries and related expenses (including share-based payment)	821	693
Subcontractors and materials	1,581	1,638
Others	143	133
Less - grants received from ESG	(859)	(854)
	1,686	1,610

C. Financial expenses

	2023	2022
Exchange rate differences	852	303
Financial expenses from revaluation of loans from the IIA	22	-
Commissions and interest, net	20	-
Financial expense related to Contingent consideration from sale of ApiFix (see Note 9(B)(2))	905	5,855
Other financial expenses	242	40
	2,041	6,198

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 19:- SELECTED STATEMENTS OF OPERATIONS DATA (Cont.)

D. Financial income

	Year ended 31 December	
	2023	**2022**
Interest on deposits, net	183	11
Commissions and interest, net	116	-
Exchange rate differences, net Expenses	61	-
Interest related to subleases receivables	-	24
Financial income related to receivable from the sale of ApiFix (see Note 9(B)(2))	-	259
Financial income from revaluation of loans from the IIA	596	329
Other financial income	291	250
	1,247	873

NOTE 20:- NET INCOME (LOSS) PER SHARE

A. Details of the number of shares and income used in the computation of earnings per share:

	Year ended 31 December			
	2023		**2022**	
	Weighted number of shares	**Net loss attributable to equity holders of the Company**	**Weighted number of shares**	**Net income attributable to equity holders of the Company**
	In Thousands	**U.S in thousands**	**In Thousands**	**U.S in thousands**
For the computation of basic net earnings	922,418	(33,995)	840,459	(14,480)
Effect of potential dilutive Ordinary shares	-	-	-	-
For the computation of diluted net earnings	922,418	(33,995)	840,459	(14,480)

B. For the computation of diluted net earnings per share for the years ended 31 December 2023, all outstanding options under the share-based payment plans have not been considered since their conversion decreases the basic loss per share (anti-dilutive effect).

In 2022, all outstanding option were out of the money.

U.S dollars in thousands, except share and per share data

NOTE 21:- GRANTS RECEIVED IN SINGAPORE

The Startup SG Tech ("SSG Tech") grant is administered by Enterprise Singapore ("ESG") and aims to fast-track the development of proprietary technology solutions and catalyzes the growth of startups based on proprietary technology and a scalable business model. ESG also aims to supports startup enablers, such as incubators and accelerators to nurture the development of high potential Singapore-based startups. The program will provide funding and non-financial support for partners to further enhance their programs and expertise in nurturing successful Singapore-based startups.

Startup SG Tech supports Proof-of-Concept (POC for total of SGD 250) and Proof-of-Value (POV for total of SGD 500) for commercialization of innovative technologies. Companies may apply for POC or POV grants depending on the stage of development of the technology/concept. Startup SG Tech is a competitive grant.

The subsidiaries invested and incubated by Trendlines Medical Singapore have been awarded the SSG Tech grants, with the exception of Continale Medical Singapore Pte Ltd, which received a separate grant known as the Enterprise Development Grant ("EDG") which amounts to SGD 240 (approximately $168).

Total SSG Tech grants received and recognized in the Singaporean subsidiaries incubated by Trendlines Medical Singapore are SGD 1,150 (approximately $805) and SGD 725 (approximately $508) for the years ended 31 December 2023 and 2022, respectively.

Trendlines Medical Singapore received in 2023 ESG IFP grant amounts to approximately SGD 80 (approximately $56). The total grant awarded to Trendlines Medical Singapore over three years amounts to SGD 135 (approximately $94).

During 2023, ESG has approved a grant to Trendlines Agrifood Innovation Centre to support its activity in 2023. This grant does not have any liability component in that this is a non-recourse grant that is disbursed based on milestones achieved. The total grant received in 2023 is SGD 253 (approximately $189).

NOTE 22:- RELATED PARTIES TRANSACTIONS

A. Balances and transactions

1. The following table summarizes balances with related parties in the statements of financial position:

	The Group Portfolio Companies	
	31 December 2023	**31 December 2022**
Asset:		
Accounts and other receivables	99	451
Short-term loans	119	91

NOTES TO THE FINANCIAL STATEMENTS

U.S dollars in thousands, except share and per share data

NOTE 22:- RELATED PARTIES TRANSACTIONS (Cont.)

A. Balances and transactions (Cont.)

1. The following table summarizes balances with related parties in the statements of financial position: (Cont.)

	The Group Related party	
	31 December 2023	31 December 2022
Liabilities:		
Loan [1]	342	292

(1) See note 11 for former information regarding the loan.

2. The following table summarizes the transactions with related parties in the consolidated statements of profit or loss and other comprehensive income:

	Year ended 31 December			
	2023		2022	
	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

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

NOTE 23:- EVENTS AFTER REPORTING DATE

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 The Trendlines Group, Ltd, Trendlines Medical Singapore Pte Ltd, and two unrelated 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.

STATISTICS OF SHAREHOLDING

As at 15 February 2024

Issued and fully paid-up capital:	US$96,420,000
Number of issued shares:	960,110,294
Number of treasury shares:	Nil
Number of subsidiary holdings*:	Nil
Class of shares:	Ordinary Shares of equal voting right
Voting rights:	One vote per Ordinary Share with par value of NIS0.01

Shareholding Held in the Hands of the Public

Based on the information available to the Company as at 15 February 2024, approximately 52% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, is complied with.

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Shares
1 - 99	7	0.67	209	0.00
100 - 1,000	45	4.30	20,000	0.00
1,001 - 10,000	164	15.68	1,230,080	0.13
10,001 - 1,000,000	777	74.28	102,737,389	10.70
1,000,001 AND ABOVE	53	5.07	856,122,616	89.17
Total	**1,046**	**100.00**	**960,110,294**	**100.00**

* Subsidiary holdings is defined in the Listing Manual Section B: Rules of Catalist of the SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap 50 Singapore.

STATISTICS OF SHAREHOLDING

As at 15 February 2024

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% of Shares
1	Librae Holdings	281,335,281	29.30
2	BNY Mellon as the ADSs Depositary Bank*	114,321,843	11.91
3	Zeev Bronfeld	72,732,416	7.58
4	Suan Aik Boon	40,402,700	4.21
5	Amos & Daughters Investments & Properties	39,182,452	4.08
6	Stone Robert Alexander	28,087,640	2.93
7	B. Braun Melsungen	25,744,000	2.68
8	David Todd Dollinger	19,619,562	2.04
9	Stephen Louis Rhodes	19,619,562	2.04
10	Lim Chin Choo Elizabeth	17,206,600	1.79
11	Morph Investments	16,550,000	1.72
12	Lachman Family Limited Partnership	14,704,745	1.53
13	Asdew Acquisitions	12,463,400	1.30
14	Wang Yu Huei	10,383,600	1.08
15	Lo Tak Meng	7,307,500	0.76
16	Lim Seng Chiang	5,403,000	0.56
17	Mr Vincent K Boon	5,000,000	0.52
18	Lee Lai Heng Brian	4,565,600	0.48
19	Lim Tiong Kheng Steven	4,001,600	0.42
20	Ezra S. Goldman Revocable Trust	3,911,136	0.41
	Total	**742,542,637**	**77.34**

* The underlying ADSs (American Depositary Shares) held under BNY Mellon includes (i) DBS Nominees (Private) Limited holding 2,273,484 ADSs representing 113,674,243 ordinary shares in the Company; and (ii) HSBC (Singapore) Nominees Pte Ltd holding 12,952 ADSs representing 647,600 ordinary shares in the Company.

Substantial Shareholders

(As Recorded in the Register of Substantial Shareholders)

Name	Direct Interest	% (1)	Deemed Interest	% (1)	Total Interest	% (1)
LIBRAE HOLDINGS	281,335,281	29.30	–	–	281,335,281	29.30
ZEEV BRONFELD	72,732,416	7.58	–	–	72,732,416	7.58
BNY MELLON as the ADSs DEPOSITARY BANK	114,321,843	11.91	–	–	114,321,843	11.91

Note:

(1) Percentage is calculated based on total issued shares of the Company less treasury shares and subsidiary holdings, if any (i.e. 960,110,294).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of The Trendlines Group Ltd. (the “**Company**”) for the financial year ended 31 December 2023 (the “**FY2023**”) (the “**AGM**”) will be held at 190 Clemenceau Ave, #06-01, Singapore Shopping Centre, The Dining Hall @ Work Central, Singapore 239924 on **Thursday, 18 April 2024 at 10:00 a.m.** (Singapore time) for the purpose of considering and, if thought fit, approving the following matters:

AS ORDINARY RESOLUTIONS

Ordinary Business

1. To receive the Directors’ Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors’ Report thereon.

2. To re-elect Professor Low Teck Seng, who is retiring pursuant to Article 40(g) of the Company’s Articles of Association, as a Director of the Company.

   [See Explanatory Note (ii)] **[RESOLUTION 1]**

3. To re-appoint Messrs. Ernst & Young LLP (Singapore), as external independent auditors of the Company until the consummation of the Company’s next AGM and to authorise the Directors of the Company (“**Directors**”) to fix their remuneration.

   [RESOLUTION 2]

Special Business

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

4. Authority to Issue Shares

   That pursuant to Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), that authority be given to the Directors to (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; (ii) make or grant offers, agreements or options including under The Trendlines 2015 Share Option Plan (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provided that:

   (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro-rata basis to existing Shareholders shall not exceed 25.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time this authority is given, after adjusting for: (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time this authority is given; (b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this authority, provided that the share options or share awards were granted in compliance with the Catalist Rules; and (c) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the provisions of Israeli Companies Law for the time being in force, the Articles of Association for the time being of the Company and The Trendlines 2015 Share Option Plan; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (a) the conclusion of the next annual general meeting of the Company or (b) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (vi)] **[RESOLUTION 3]**

5. To transact any other ordinary business which may properly be transacted at an AGM.

BY ORDER OF THE BOARD OF THE TRENDLINES GROUP LTD.

Sahar Farah
Eunice Hooi Lai Fann
Joint Company Secretaries

13 March 2024

Explanatory Notes:

(i) Professor Low Teck Seng ("**Prof. Low**") will, if re-elected as a Director of the Company, remain as a Non-Executive Director of the Company, and member of the Remuneration committee. Prof. Low will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Additional information on Prof. Low as required to be furnished pursuant to Rule 720(5) of the Catalist Rules can be found in the Corporate Governance Report section of the Company's Annual Report for FY2023.

(ii) Ordinary Resolution 3 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such time when the authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant instruments convertible into Shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 25.0% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

(iii) Ordinary Resolutions 1, 2 and 3, shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon. **Only shareholders of record at the close of business on 11 April 2024, being the record date for determining those shareholders eligible to vote at the AGM, are entitled to notice of and to vote at the AGM and any postponements or adjournments thereof**.

(iv) For information relating to the compensation of our top five most highly compensated office holders with respect to the FY2023, please refer to principle 8 in the Corporate Governance Report in our Annual Report for FY2023.

Notes:

1. The AGM is being convened, and will be held physically. All shareholders are cordially invited to attend the AGM in person. **There will be no option for shareholders to participate virtually**.

   Printed copies of this Notice of AGM and the accompanying Proxy Form will be mailed to shareholders.

   Printed copy of the Company's FY2023 Annual Report **will not** be mailed to shareholders, instead will be made available to shareholders on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at URL https://www.trendlines.com/.

   Shareholders who wish to request for a printed copy of the Company's FY2023 Annual Report may do so by submitting your request to the Company via email to CompanySecretary@trendlines.com with your full name, contact number and delivery address **no later than Tuesday, 9 April 2024**.

2. A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the shareholder's stead.

3. A proxy need not be a shareholder of the Company.

4. Any shareholder who holds more than one share shall be entitled to appoint a proxy with respect to all or some of its shares or appoint more than one proxy, provided that the instrument appointing a proxy shall include the number of shares with respect to which it was issued and only one proxy shall be appointed with respect to any one share.

6. The Proxy Form must be signed by the appointor or his/her attorney duly authorised in writing.

7. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its duly authorised officer or attorney. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy.

8. Shareholders who wish to vote at the AGM via a proxy(ies) must submit the accompanying Proxy Form to appoint the proxy(ies) or the Chairman of the AGM as their proxy to cast votes on their behalf.

   Shareholders are requested to complete, sign and return the Proxy Form appointing proxy(ies) or corporate representative(s) in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at T'chelet Street 17, Misgav Industrial Park, 2017400 Israel, or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to Mrs Sahar Farah, Joint Company Secretary, at CompanySecretary@trendlines.com, not less than forty eight (48) hours before the time appointed for the AGM (i.e. by **10:00 a.m. on Tuesday, 16 April 2024**).

   Notwithstanding the above, the Chairman of the AGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the AGM.

9. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by **10:00 a.m. on Monday, 8 April 2024**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions In Advance of the AGM

Shareholders may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Company in advance of the AGM. Such questions must be submitted by **10:00 a.m. on Monday, 1 April 2024** via e-mail to Mrs Sahar Farah, Joint Company Secretary, at CompanySecretary@trendlines.com or by post to the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Shareholders who submit questions via email or by post to the Company must provide the following information:

(i) the Shareholder's full name;

(ii) the Shareholder's address; and

(iii) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

The Company will upload its response to the substantial and relevant questions from shareholders on the SGXNet and the Company's website **before 10:00 a.m. on 14 April 2024**, being at least 48 hours prior to the proxy form submission deadline for the AGM.

The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) substantial and relevant questions which are received from shareholders after its response on 14 April 2024, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company's responses to all subsequent questions addressed at the AGM together with the minutes of the AGM, will be posted on the SGXNet and the Company's website within one (1) month after the date of the AGM.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend and vote at the AGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be, (i) consents to the collection, use and disclosure of the shareholder or Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of proxy(ies) or representative(s) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the shareholder or a Depositor discloses the personal data of the shareholder or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder or Depositor's breach of warranty.

THE TRENDLINES GROUP LTD.

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

PROXY FORM

I/We ______________________ (NRIC/Passport No./Company Registration No.) ______________________

of ____ (Address)

being a shareholder/shareholders of The Trendlines Group Ltd. (“**Company**”), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or***

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

or failing him/her/them, or the Chairman of the Annual General Meeting (“**AGM**”)*** as my/our proxy to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held at 190 Clemenceau Ave, #06-01, Singapore Shopping Centre, The Dining Hall @ Work Central, Singapore 239924 on **Thursday, 18 April 2024 at 10:00 a.m.** (Singapore time) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the ordinary resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the AGM and at any adjournment thereof.

No.	Resolution	For*	Against*	Abstain*
1.	Re-election of Professor Low Teck Seng as a Director of the Company			
2.	Re-appointment of Messrs. Ernst & Young LLP (Singapore), as external independent auditors and to authorize the Directors to fix their remuneration			
3.	Authority to Issue Shares			

* If you wish to exercise all your votes “For” or “Against” or “Abstain”, please tick “✓” within the box provided. Alternatively, please indicate the number of votes as appropriate.

** If a “✓” is not marked in either column or a “✓” is marked in both columns, the vote shall be disqualified.

*** Delete as appropriate.

Dated this ________ day of __________________ 2024.

Total No. of Shares Held

____

Signature(s) of shareholder(s)/Common Seal of corporate shareholder

IMPORTANT:

PLEASE READ NOTES BELOW OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number. If you have Shares registered in your name in the Shareholders Register of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and shares registered in your name in the Shareholders Register, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you. Where you appoint more than one proxy, the appointments shall be invalid unless you specify the shareholding (expressed as a percentage of the whole) to be represented by each proxy.

2. A shareholder who wishes to submit an instrument of proxy must complete, sign the proxy form and return it in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 17 T'chelet Street, Misgav Industrial Park, 2017400 Israel or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to Mrs Sahar Farah, Joint Company Secretary, at CompanySecretary@trendlines.com not less than forty eight (48) hours before the time appointed for the AGM (i.e. by **10:00 a.m. on 16 April 2024**).

   Notwithstanding the above, the Chairman of the AGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the AGM.

   Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

3. Where a shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

4. Shareholders who holds more than one share shall be entitled to appoint a proxy with respect to all or some of its Shares or appoint more than one proxy, provided that the instrument appointing a proxy shall include the number of Shares with respect to which it was issued and only one proxy shall be appointed with respect to any one share.

5. Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by **10:00 a.m. on Monday, 8 April 2024**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

6. A proxy need not be a shareholder of the Company.

7. The instrument of proxy shall be duly signed by the appointer or his duly authorised attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorised signatory(ies), agent(s) or attorney(s). The Board may demand that the Company be provided with written confirmation, to its satisfaction, that the signatory(ies), agent(s) or attorney(s) have the authority to bind the corporate body of the appointing Shareholder.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointer, is not shown to have Shares entered against his/her name in the Depository Register as **at the close of business on 11 April 2024, being the record date for determining those shareholders eligible to vote at the AGM** as certified by the CDP.

9. Completion and return of the Proxy Form shall not preclude a shareholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a shareholder attends the AGM, and in such event, the Share Registrar reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the AGM.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend and vote at the AGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be, (i) consents to the collection, use and disclosure of the shareholder or Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of proxy(ies) or representative(s) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the shareholder or a Depositor discloses the personal data of the shareholder or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder or Depositor's breach of warranty.

The Trendlines Building

Misgav Business Park

17 T'chelet Street

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