THE TRENDLINES GROUP LTD.

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

Condensed Interim Financial Statements
For the Six Months Financial Period Ended 30 June 2021

Background

The Company was incorporated on 1 May 2007 as a private company limited by shares under the Israeli Companies Law.

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

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

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

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

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

	Group		
	Six Months Ended		
	30 June 2021 (Unaudited) US$'000	30 June 2020 (Unaudited) US$'000	Change %
Income:			
Gain (loss) from change in fair value of investments in Portfolio Companies, net	6,190	(3,626)	N.M.
Income from services to Portfolio Companies	765	1,799	(57.48)
Income from contracted R&D services	368	342	7.60
Financial income	3,600	1,685	113.65
Other income	171	25	584.00
Total income	11,094	225	4830.67
Expenses			
Operating, general and administrative expenses	4,858	3,373	44.03
Marketing expenses	176	96	83.33
R&D expenses, net	704	493	42.80
Financial expenses	978	406	141.38
Total expenses	6,716	4,368	53.80
Income (loss) before income taxes	4,378	(4,143)	N.M.
Tax benefit	324	35	N.M.
Net profit (loss)	4,054	(4,108)	N.M.
Other comprehensive loss:			
Amounts that will be or that have been reclassified to loss when specific conditions are met:			
Income (loss) from cash flow hedges	(45)	198	N.M.
Total comprehensive profit (loss)	4,009	(3,910)	N.M.
Net profit (loss) attributable to:			
Equity holders of the Company	4,371	(4,094)	N.M.
Non-Controlling Interests	(317)	(14)	2164.29
	4,054	(4,108)	N.M.
Total comprehensive profit (loss) attributable to:			
Equity holders of the Company	4,326	(3,896)	N.M.
Non-Controlling Interests	(317)	(14)	2164.29

	4,009	(3,910)	N.M.
Net profit (loss) per share attributable to equity holders of the Company (U.S. cents):			
Basic net profit (loss)	0.55	(0.52)	N.M.
Diluted net profit (loss)	0.55	(0.52)	N.M.

*N.M. – not meaningful

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

	30 June 2021 (Unaudited) US$'000	30 June 2020 (Unaudited) US$'000
Depreciation, amortization and impairment loss	374	580
Foreign currency exchange gain (loss)	(675)	(282)

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

	Group		Company	
	30 June 2021 (Unaudited) US$'000	31 December 2020 (Audited) US$'000	30 June 2021 (Unaudited) US$'000	31 December 2020 (Audited) US$'000
Assets				
Current assets				
Cash and cash equivalents	6,664	10,656	5,410	2,199
Short-term bank deposits	4,268	101	4,169	-
Accounts and other receivables	2,738	2,698	5,990	1,125
Short-term loans to Portfolio Companies	62	19	22	-
	13,732	13,474	15,591	3,324
Non-current assets				
Investment in Subsidiaries	-	-	87,511	82,911
Long-term bank deposits	-	4,127	-	4,127
Accounts and other receivables	2,735	2,696	2,735	-
Contingent consideration receivable	6,010	2,898	6,010	-
Investments in Portfolio Companies	92,124	83,730	-	-
Deferred taxes	-	6,838	-	6,645
Right of use asset	1,872	2,122	-	-
Property, plant and equipment, net	800	959	520	130
	103,541	103,370	96,776	93,813
Total assets	117,273	116,844	112,367	97,137
EQUITY AND LIABILITIES				
Current liabilities				
Lease liability	604	669	-	-
Loan	3,005	-	3,005	-
Trade and other payables	2,165	1,679	1,030	597
Deferred revenues	220	616	-	-
	5,994	2,964	4,035	597
Non-current liabilities				
Loans from the Israel Innovation Authority	2,503	2,626	1,286	-
Lease liability	1,990	2,297	-	-
Deferred taxes	5,836	12,350	6,009	-
Other long-term liabilities	441	272	230	223
	10,770	17,545	7,525	223

Total liabilities	16,764	20,509	11,560	820
Equity				
Equity Attributable to Equity Holders of the Company:				
Share capital	2,123	2,123	2,123	2,123
Share premium	79,307	79,307	79,307	79,307
Reserve from hedge	-	45	-	45
Reserve from share-based payment transactions	4,296	4,131	4,296	4,131
Retained earnings	15,081	10,710	15,081	10,710
Equity attributable to owners of the parent	100,807	96,316	100,807	96,316
Non-controlling interests	(298)	19	-	-
Total equity	100,509	96,335	100,807	96,316
Total equity and liabilities	117,273	116,844	112,367	97,136

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

Amount repayable in one year or less, or on demand

As at 30 June 2021 (Unaudited)		**As at 31 December 2020 (Audited)**	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
3,005	604	-	669

Amount repayable after one year

As at 30 June 2021 (Unaudited)		**As at 31 December 2020 (Audited)**	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
2,503	1,990	2,626	2,297

Details of any collateral

The Group has a short term bank loan which is secured by a long-term deposit of US$4.0 million.

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

	Number of shares in each Portfolio Company pledged in favor of the IIA	
Name of Portfolio Company	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Unaudited)
Advanced Memtech Ltd.	77,668	77,668
Leviticus Cardio Ltd.	49,250	49,250
ProArc Medical Ltd.	34,860	34,860
Sol Chip Ltd.	66,310	66,310

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

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

Condensed Interim Consolidated Statement of Cash Flows

	Six Months Ended	
	30 June 2021 (Unaudited) US$'000	**30 June 2020 (Unaudited) US$'000**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit (loss)	4,054	(4,108)
Adjustments to reconcile net loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	374	580
Income taxes (tax benefit)	324	(35)
Loss (gain) from changes in fair value of investments in Portfolio Companies	(6,190)	3,626
Financial income, net	(3,289)	(1,646)
Income from services to Portfolio Companies	(392)	(1,354)
Share-based payments	165	88
Changes in asset and liability items:		
Decrease (increase) in short-term loans to portfolio companies	(43)	15
Decrease (increase) in accounts and other receivables	(39)	(138)
Increase (decrease) in trade and other payables	442	(345)
Increase in other long-term liabilities	(2)	3
	(8,650)	794
Investments in Portfolio Companies	(2,095)	(2,844)
	(2,095)	(2,844)

Cash (paid) received during the year for:

Interest paid	(40)	(111)
Interest received	-	2
	(40)	(109)
Net cash used in operating activities	(6,731)	(6,267)

	Six Months Ended	
	30 June 2021 (Unaudited) US$'000	**30 June 2020 (Unaudited) US$'000**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	12	(282)
Proceeds from maturity of bank deposits, net	2	108
Purchase of a long-term bank deposit	(43)	(4,027)
Net cash used in investing activities	(29)	(4,201)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans received	3,000	-
Payment of lease liability	(325)	(296)
Loans received from the Israel Innovation Authority	93	96
Net cash provided by (used in) financing activities	2,768	(200)
Decrease in cash and cash equivalents	(3,992)	(10,668)
Cash and cash equivalents at the beginning of the period	10,656	18,366
Cash and cash equivalents at the end of the period	6,664	7,698
Non-cash transactions		
Marketable securities and receivables from realization of investment in Portfolio Company	-	13,697
Right of use asset recognized against lease liability	-	504

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

Condensed Interim Statement of Changes in Equity
Group

(Unaudited)	Share capital	Share premium	Reserve from hedge	Reserve from share-based payment transactions	Retained earnings	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2021	**2,123**	**79,307**	**45**	**4,131**	**10,710**	**96,316**	**19**	**96,335**
Net profit and total comprehensive profit	-	-	(45)	-	4,371	4,326	(317)	4,009
Cost of share-based payments	-	-	-	165	-	165	-	165
Balance as at 30 June 2021	**2,123**	**79,307**	**-**	**4,296**	**15,081**	**100,807**	**(298)**	**100,509**
(Unaudited)								
Balance as at 1 January 2020	**2,123**	**79,289**	**(175)**	**3,853**	**14,444**	**99,534**	**236**	**99,770**
Net loss and total comprehensive loss	-	-	199	-	(4,094)	(3,895)	(14)	(3,909)
Cost of share-based payments	-	-	-	88	-	88	-	88
Expiration of options	-	15	-	(15)	-	-	-	-
Balance as at 30 June 2020	**2,123**	**79,304**	**24**	**3,926**	**10,350**	**95,727**	**222**	**95,949**

Condensed Interim Statement of Changes in Equity
Company

(Unaudited)	Share capital	Share premium	Reserve from hedge	Reserve from share-based payment transactions	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2021	**2,123**	**79,307**	**45**	**4,131**	**10,710**	**96,316**
Net profit and total comprehensive profit	-	-	(45)	-	4,371	4,326
Cost of share-based payments	-	-	-	165	-	165
Balance as at 30 June 2021	**2,123**	**79,307**	**-**	**4,296**	**15,081**	**100,807**
(Unaudited)						
Balance as at 1 January 2020	**2,123**	**79,289**	**(175)**	**3,853**	**14,444**	**99,534**
Net loss and total comprehensive loss	-	-	199	-	(4,094)	(3,895)
Cost of share-based payments	-	-	-	88	-	88
Expiration of options	-	15	-	(15)	-	-
Balance as at 30 June 2020	**2,123**	**79,304**	**24**	**3,926**	**10,350**	**95,727**

Notes to the condensed interim consolidated financial statements

1. Corporate information

The Trendlines Group Ltd. (the "Company" or the "Group") was incorporated in Israel in 2007. Since its incorporation, the Company has been engaged in investing in and establishing innovative agrifood tech and medical device companies primarily through its subsidiaries: Trendlines Investments Israel Ltd. (formerly Trendlines Agtech-Mofet Ltd.), Trendlines Incubators Israel Ltd. (formerly Trendlines Medical-Misgav Ltd) (that was merged with the Group as of 31 December 2020 – while the necessary approvals were received in February and March 2021, the merger was completed retroactively as of 31 December 2020), Trendlines Agrifood Innovation Centre Ltd., and Trendlines Medical Singapore Pte Ltd. The Company's subsidiaries represent one business segment for management reporting purposes. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

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

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

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

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

2. Basis of Preparation

The condensed interim financial statements of the Group for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

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

2.1. New and amended standards adopted by the Group

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

2.3. Use of judgments and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

3. Seasonal operations

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

4. Fair value measurement

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

	The Group							
	June 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Portfolio Companies	-	-	92,124	92,124	-	-	83,730	83,730
Long-term bank deposits	-	-	-	-	-	-	4,127	4,127
Contingent consideration receivable	-	-	6,010	6,010	-	-	2,898	2,898
	-	-	98,134	98,134	-	-	90,755	90,755
Financial liabilities								
Derivative financial instruments	-	271	-	271	-	272	-	272
Loans from IIA	-	-	2,503	2,503	-	-	2,626	2,626
	-	271	2,503	2,774	-	272	2,626	2,898

b. Valuation process and techniques

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

Investment in privately held Portfolio Companies - level 3

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

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

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

c. General overview of valuation approaches used in the valuation

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

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

1. Income Approach

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

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

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

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

2. Market Comparable Approach

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

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

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

3. Cost Approach

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

4. Option Pricing Model ("OPM")

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

5. Related party transactions

A. Balances and transactions:

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

	The Group	
	Portfolio Companies	
	June 30, 2021	December 31, 2020
Accounts and other receivables	119	104
Short-term loans	62	19

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

	Six months ended June 30, 2021		Year ended December 31, 2020	
	Portfolio Companies	Associates and other related parties	Portfolio Companies	Associates and other related parties
Income from services to Portfolio Companies	765	-	2,854	-
Operating, general and administrative expenses	-	(1)	-	(2)

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

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

	Six months ended June 30, 2021	Year ended December 31, 2020
Salaries and related expenses	1,328	2,813
Share-based payment	114	241
	1,442	3,054

6. Taxes on income

Deferred taxes (in US$'000)

	Statements of financial position				Statements of profit or loss	
	The Group		The Company			
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	Six months ended June 30, 2021	Year ended December 31, 2020
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	12,724	11,381	12,983	-	1,343	(6,187)
Loans from IIA	3,193	3,306	383	-	(113)	556

	15,917	14,687	13,366	-	1,230	(5,631)
Deferred tax assets:						
Carry-forward tax losses	9,592	8,626	7,357	6,645	(966)	(3,708)
Deferred revenues	41	131	-	-	90	494
Other	448	418	-	-	-	(152)
	10,081	9,175	7,357	6,645	(877)	(3,365)
Deferred tax expense (benefit)					354	(8,996)
Deferred tax liabilities, net	5,836	5,512	6,009	6,645		

7. Investments in portfolio companies

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

	June 30, 2021		December 31, 2020	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Companies in Incubation Period	1,724	2	4,564	5
Incubator Graduate Companies (1)	86,357	36	75,123	36
Other Portfolio Companies	4,043	4	4,043	4
	92,124	42	83,730	45

(1) Includes one Portfolio Company whose fair value amounts to approximately $17,587 at June 30, 2021, and $17,664 at December 31, 2020.

8. Property, plant and equipment:

During the six months ended 30 June 2021, the Group acquired assets amounting to approximatelyUS$28,000 and received a grant in the amount of approximately US$43,000 from the IIA (30 June 2020: US$0.3 million) and did not dispose of assets (30 June 2020: US$0.2 million).

9. Subsequent events

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

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

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares

that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital – Ordinary Shares

There were no changes in the issued share capital of the Company ("**Shares**") from 31 December 2020 to 30 June 2021.

As at 30 June 2021, there are 65,950,915 outstanding options which can be converted into 65,950,915 ordinary shares of the Company (30 June 2020: 66,000,915 outstanding options which can be converted into 66,000,915 Shares).

Save as disclosed above, the Company did not have any other convertibles as at 30 June 2021 and 30 June 2020.

There were also no treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020.

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

	As at 30 June 2021	As at 31 December 2020
Total number of issued shares	791,191,382	791,191,382

The Company did not have any treasury shares as at 30 June 2021 and 31 December 2020.

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

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

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

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

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

The condensed consolidated statement of financial position of The Trendlines Group Ltd. and its subsidiaries as at 30 June, 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

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

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

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

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

Save as disclosed in Section 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2020.

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

The Group has adopted applicable new International Financial Reporting Standards ("IFRS") and Interpretations of Financial Reporting Standards ("INT FRS") and amendments thereof, that are effective for the annual periods beginning on or after 1 January, 2021.

The following are the amendments to IFRS and INT FRS adopted by the Group:
1. Amendments to IFRS 9 – Financial Instruments
2. Amendments to IFRS 7 – Financial Instruments: Disclosures
3. Amendments to IAS 39 – Financial Instruments: Recognition and Measurement
4. Amendments to IFRS 16 – Leases

The Group's adoption of the applicable new IFRS and INT FRS had no material effect on the financial statements of the Group for the financial period ended 30 June 2021.

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

	Group
	Six Months Ended

Earnings per share ("EPS") / (Loss) per share ("LPS")	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Profit (loss) attributable to owners of the parent for the computation of basic net earnings (US$'000)	4,371	(4,094)
Weighted average number of ordinary shares (in thousands)	791,191	791,191
Basic EPS / (LPS) (US cents)	0.55	(0.52)
Profit (loss) attributable to owners of the parent for the computation of diluted net earnings (US$'000)	4,371	(4,094)
Weighted average number of ordinary shares on a fully diluted basis (in thousands)	791,191	791,191
Fully diluted EPS / (LPS) (US cents)	0.55[(1)]	(0.52)[(1)]

Notes:

(1) Fully diluted EPS and LPS of the Group for the financial period ended 30 June 2021 and 30 June 2020 respectively are the same as the respective basic EPS and LPS because the potential ordinary shares to be converted under any convertible securities are anti-dilutive.

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

(a) Current period reported on; and

(b) Immediately preceding financial year

	Group		Company	
Net asset value ("NAV")	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 (Unaudited)	31 December 2020 (Audited)
NAV (US$)	100,808,067	96,316,061	100,808,067	96,316,061
Number of ordinary shares in issue	791,191,382	791,191,382	791,191,382	791,191,382
NAV per ordinary share (US$)	0.13	0.12	0.13	0.12

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

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

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

Consolidated Statement of Comprehensive Income

Review for the performance of the Group for the six months ended 30 June 2021("H1 2021") as compared to the six months ended 30 June 2020 ("H1 2020").

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

The gain in fair value of investments in Portfolio Companies was US$6.2 million in H1 2021 as compared to a loss from change in fair value of investments of US$3.6 million in H1 2020.

In H1 2021, there was an increase of US$10.9 million in the fair value of various Portfolio Companies which was derived based on factors such as the favourable terms on which each Portfolio Company completed its fund raising exercises and each Portfolio Company's commercial or technological progress. In general, favourable terms for fund raising exercises/exits and higher commercial or technological progress would lead to higher fair values.

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

(i) a decrease of approximately US$2.2 million in the fair value of various Portfolio Companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company, and general commercial or technological difficulties demonstrated in some Portfolio Companies in H1 2021; and
(ii) the write off of three (3) Portfolio Companies of approximately US$2.4 million as a result of lack of funding in those companies.

Income from services to Portfolio Companies

Income from services to Portfolio Companies comprised approximately US$0.4 million received as overhead reimbursement from our Portfolio Companies and approximately US$0.4 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 decreased by approximately US$1.0 million or 70.98% mainly due to lower number of new Portfolio Companies that were serviced by the Group in H1 2021 as compared to that in H1 2020.

Financial income

Financial income increased by US$1.9 million mainly as a result of the adjustment in the fair value of the contingent consideration receivable and the interest on the long-term receivable which were recorded upon the sale of our former Portfolio Company, ApiFix Ltd. to OrthoPediatrics Corp in April 2020.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses increased by approximately US$1.5 million or 44.03%. The change was mainly as a result of an increase in the operating activities of the entire Group and expenses incurred for the Proposed Dual Primary Listing and Securities Offer on Tel Aviv Stock Exchange which has been discontinued.

R&D expenses

R&D expenses increased by US$0.2 million due to an increase of the R&D activities of the Group.

Financial expenses

Financial expenses increased by US$0.5 million due to an increase in the exchange rate between US$ and NIS (US$:NIS) in H1 2021 as compared to increase in the exchange rate in H1 2020.

Income (loss) before income taxes (tax benefit)

In view of the above, gain before incomes taxes (tax benefit) in H1 2021 was approximately US$4.5 million compared to a loss of approximately US$4.1 million in H1 2020, mainly due to the gain from change in fair value of investments in Portfolio Companies as compared to the loss on this item in H1 2020.

Consolidated Statements of Financial Position

Comparative performance for both assets and liabilities are based on the Group's financial statements as at 30 June 2021 and 31 December 2020.

Total assets

Total assets increased by approximately 0.37% from US$116.8 million as at 31 December 2020 to US$117.3 million as at 30 June 2021. This was mainly due to an increase in Investments in Portfolio Companies of US$8.2 million and increase in contingent consideration receivable of US$3.1 million, which was offset by a decrease in cash and cash equivalents of US$4.0 million and the decrease in deferred tax assets of US$6.8 million (due to reclassification to non-current liabilities).

Non-current assets

Investments in Portfolio Companies

The investments in Portfolio Companies of US$92.1 million as at 30 June 2021 comprised 42 Portfolio Companies presented at fair value (not including 13 consolidated Singapore-based companies and 3 Trendlines agrifood fund companies, of which Trendlines is the managing partner). There was an increase of US$8.4 million or 10.03% as compared to 31 December 2020.

The changes in the value of our investments in Portfolio Companies were mainly due to an increase of US$12.7 million in the fair value of various Portfolio Companies which was derived based on factors such as the favourable terms on which each Portfolio Company completed its fund raising exercises and each Portfolio Company's commercial or technological progress. In general, favourable terms for fund raising exercises/exits and higher commercial or technological progress would lead to higher fair values.

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

i. A decrease of approximately US$1.8 million in the fair value of various Portfolio Companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company and general commercial or technological difficulties demonstrated in some Portfolio Companies in H1 2021; and
ii. The write-off of three (3) Portfolio Companies of approximately US$2.4 million as a result of lack of funding in those companies.

Accounts and other receivables and contingent consideration receivable

Accounts and other receivables and contingent consideration receivable increased by US$3.1 million as at 30 June 2021 mainly due to the examination of all the risk factors that led to a change in the discount rate and due to the time factor of the payments expected to be received from the sale of our former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020.

Current assets

Cash and cash equivalents

Cash and cash equivalents decreased by approximately US$4.0 million mainly due to the utilization of cash for operating activities in H1 2021. Please refer to the section "Consolidated Statement of Cash Flows" below for explanation on the utilization of cash for operating activities.

Our cash and cash equivalents represent 48.53% of our total current assets.

Short-term bank deposits

The increase in short-term bank deposit in the amount of US$4.2 million is due to the investment in a bank deposit which was classified as long term during FY2020, but which is now classified as short term as it will mature in January 2022.

Non-current liabilities

Loans from the IIA

The loans from the IIA decreased by US$0.1 million or 4.68%, from US$2.6 million as at 31 December 2020 to US$2.5 million as at 30 June 2021, mainly due to the decrease in fair value of specific Portfolio Companies for which the loans were received, which forms the basis for the calculation of the value of the loans from the IIA in the Group's financial statements.

Deferred taxes, net

Net deferred taxes decreased by US$0.3 million, mainly due to the technical merger of the Group's wholly owned subsidiary, Trendlines Incubators Israel Ltd., in an absorption-type merger for operational, administrative, financial, and tax reasons. The merger included the transfer of a few portfolio companies from Trendlines Incubators Israel Ltd. to the Company and to another wholly owned subsidiary of the Company, Trendlines Investments Israel Ltd., resulting in a deferred tax asset arising for Trendlines Investments Israel Ltd. and hence, decreasing the net deferred taxes of the Company by approximately US$0.3 million. Please refer to the Company's announcement dated 30 December 2020 for more information on the merger.

Lease Liabilities

As at 31 December 2020, the Company recognized the right of use asset in an amount of US$2.1 million and lease liability in the amount of approximately US$2.3 million. As at 30 June 2021, long term lease liabilities amounted to US$2.0 million (in addition to US$0.6 million presented as current lease liability).

Current liabilities

Loan

During January 2021, the Company received a US$3.0 million bank loan pledged by a deposit of US$4.0 million that will mature in January 2022. The bank loan was drawn down for working capital purposes. The loan bears an annual interest rate of LIBOR + 3.5%.

Trade and other payables

Trade and other payables increased by approximately US$0.5 million, from approximately US$1.7 million as of 31 December 2020 to approximately US$2.2 million as of 30 June 2021 mainly due to increase in provision for vacation and increase in accrued expenses due to the expenses regarding the Proposed Dual Primary Listing and Securities Offer on Tel Aviv Stock Exchange and increase in trade payables relating to services provided during H12021 which were not paid as at 30 June 2021.

Short-term deferred revenues

A decrease of US$0.4 million in the short-term deferred revenue was mainly due to fewer number of Portfolio Companies, as at 30 June 2021, that have deferred revenues to be recognized in the 1st to 12th month period, as compared to that as at 31 December 2020.

Equity

As at 30 June 2021, equity attributable to equity holders of the Company amounted to approximately US$100.8 million.

Consolidated Statement of Cash Flows

Net cash used in operating activities of US$6.7 million in H1 2021 was mainly due to a net profit of US$4.0 million and adjustments for non-cash items such as (i) Gain from changes in fair value of investments in Portfolio Companies of approximately US$6.2 million; (ii) income from services to Portfolio Companies of approximately US$0.4 million; (iii) financial income, net of approximately

US$3.3 million; (iv) investments in Portfolio Companies, net of approximately US$2.1 million; and (v) income tax approximately US$0.3 million.

Net cash generated from financing activities of US$2.8 million in H1 2021 was mainly due to a loan received of approximately US$3.0 million.

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

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

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

In July 2021, the incidence of cases of the Delta variant of the COVID-19 virus accelerated dramatically in Israel and the government implemented new restrictions aimed at combating its spread. Although a full lockdown has not been declared, strict international travel restrictions are again being implemented and it is not possible at this time to foresee the full extent of any restrictions that might be placed. Despite that, based on the experience of the past 18 months and barring any unforeseen changes, we do not expect substantial impact from COVID-19 on our operations or those of our portfolio companies over the next 12 months.

In November 2019, the Company announced the first close in the fundraising round for its new Trendlines Agrifood Fund, together with the beginning of operations of the Trendlines Agrifood Innovation Centre in Singapore. The Fund has had very strong deal flow and has made five investments with several more pending as of the date of this announcement. The second cohort of the Fund's Singapore accelerator was very successful and will likely lead to other investments. Based on the strong interest in the Fund and its positive results to date, we are working on establishing a second, Israel-based agrifood fund.

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

As previously announced, in compliance with SGX regulations, the Company's board of directors decided to cease its quarterly financial reporting and adopt semi-annual financial reporting with effect from the financial year beginning on 1 January 2020. Consistent with our commitment to provide timely information about business developments within the Group, we held conference calls for shareholders on 22 April 2021, to provide non-financial business updates, and we continue to issue monthly updates on the business.

On 29 April 2021, the Company announced that one of its portfolio companies had signed a non-binding letter of intent (LOI) with a public corporation for the acquisition of the portfolio company. If completed, the transaction is expected to have a material positive impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December

2021. Based on the signed LOI, the Group's share of the sale proceeds to be received in cash is estimated to be approximately SGD 22 million (USD 16 million). The transaction continues to progress and is expected to be completed before the end of 2021.

11. Dividend

If a decision regarding dividend has been made: -

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

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

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

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

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

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

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

The Company does not meet the conditions required by law of companies in Israel to declare a dividend. According to the Israeli Companies Law, a company that wishes to distribute a dividend must meet two cumulative conditions: (1) The Company has distributable surpluses and if the total retained earnings is negative, it is possible to divide the profits accumulated in the past two years (the earnings test) and (2) The Company has the ability to meet all of its liabilities even after the distribution of the dividend (the repayment ability test). As the Company does not meet the required conditions, no dividend has been declared or recommended for H1 2021.

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

mandate has been obtained, a statement to that effect.

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions which were more than S$100,000 entered into during H1 2021.

While the total amount invested by Agriline Limited[1] in 7 portfolio companies was S$6.3 million during H1 2021, the value of the transactions (which is the amount at risk to the Group) is S$0 as the investments did not result in a change in the fair value of the Group's holdings in the portfolio companies or the consolidated net tangible assets of the Group.

14. Use of 2019 Rights Issue proceeds

The Company refers to the net proceeds amounting to S$8.13 million raised from the rights issue exercise which resulted in the issuance and allotment of 78,830,585 shares on 23 December 2019 ("**2019 Rights Issue Net Proceeds**").

As at the date of this announcement, the status on the use of the 2019 Rights Issue Net Proceeds is as follows:

Use of 2019 Rights Issue Net Proceeds	Amount allocated (S$'000)	Amount utilized (S$'000)	Balance (S$'000)
General working capital *	2,440	2,440	-
Direct and indirect investments into new, prospective or existing Portfolio Companies	5,690	5,690	-
Total	8,130	8,130	-

* 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 2019 Rights Issue Net Proceeds, as stated in the Company's announcement dated 19 December 2019.

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

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

16. Additional Information Required Pursuant to Rule 706A

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

During H1 2021, the Company did not acquire or dispose of any shares which would result in any company becoming or ceasing to be a subsidiary or associated company of the Company, or increase or reduce the Company's shareholding percentage in any subsidiary or associated company.

The Company incorporated one new Portfolio Company as a subsidiary in H1 2021 which is set out in the table below:

S/N	Name	Date of incorporation	Country of incorporation	% held by the Group	Paid up capital	Principal activity
1	TENDONPLUS MEDICAL PTE. LTD.	14 January 2021	Singapore	100%	S$1	Research and experimental development on medical technologies.

The incorporation of the above Portfolio Company was funded in cash through internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2021.

17. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for H1 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

D. Todd Dollinger
Chairman and CEO
11 August 2021

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

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