trendlines

THE TRENDLINES GROUP LTD.

ANNUAL REPORT 2021

Investing to improve the human condition


Creating a
to improv

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.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

SHORTENED FORMS & ACRONYMS IN THIS ANNUAL REPORT

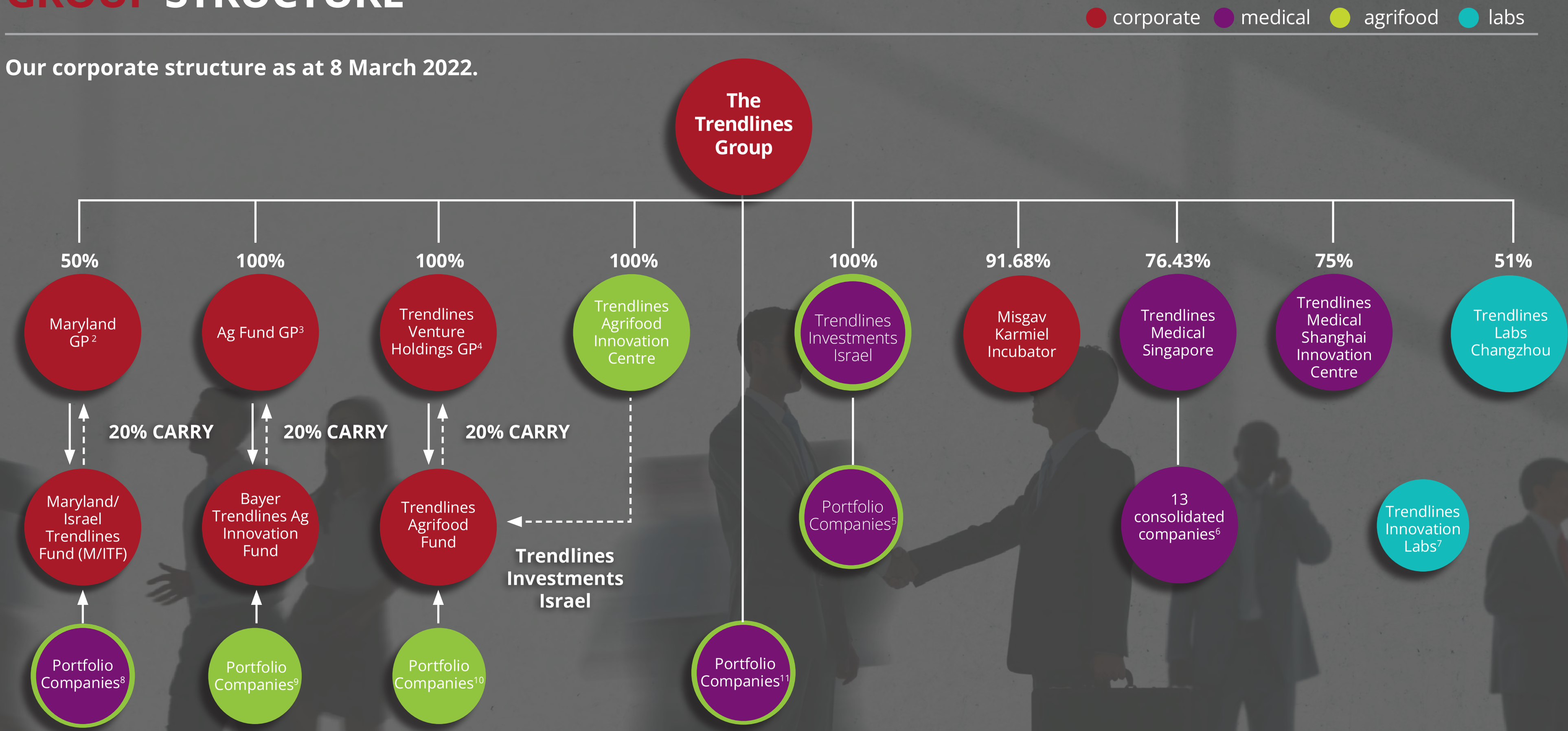
American Depositary Receipt (“ADR”)
Annual General Meeting (“AGM”)
Asia Pacific (“APAC”)
Bayer Crop Science LLC (“Bayer Crop Science” or “BCS”)
Bayer Trendlines Ag Innovation Fund (“Bayer Trendlines Ag Fund” or “Ag Fund”)
B. Braun Melsungen AG (“B. Braun”)
Board of Directors (“Board”)
Catalist of the 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 2019 (“FY2019”)
Financial Year Ended 31 December 2020 (“FY2020”)
Financial Year Ended 31 December 2021 (“FY2021”)
First in Human (“FIH”)
Frequently Asked Questions (“FAQs”)
General and Administrative (“G&A”)
General Partner (“GP”)
Global Reporting Initiative (“GRI”)
Initial Public Offering (“IPO”)
Intellectual Property (“IP”)
Internal Rate of Return (“IRR”)
Israel Innovation Authority (“IIA”)
Johnson & Johnson Innovation – JJDC, Inc. (“JJDC”)
Joint Venture (“JV”)
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”)
PIPE ("Private Investment in Public Entity")
Profit and Loss (“P&L”)
Redeemable Convertible Loan (“RCL”)
Research and Development (“R&D”)
Singapore Dollar (“SGD”)
Singapore Exchange Limited (“SGX”)
Singapore General Hospital (“SGH”)
Singapore Israel Industrial Research and Development Foundation (“SIIRD”)
Special General Meeting (“SGM”)
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”)
ApiFix Ltd. ("ApiFix")
AquiNovo Ltd. (“AquiNovo”)
Arcuro Medical Ltd. (“Arcuro”)
Avir Medical Pte. Ltd. (“Avir”)
Ayzer Sense Pte. Ltd. (“Ayzer Sense”)
BioFishency Ltd. (“BioFishency”)
Ceretrieve Ltd. (“Ceretrieve”)
Continale Medical Pte. Ltd. (“Continale”)
CoreBone Ltd. (“CoreBone”)
Dasyo Ltd. ("Dasyo")
Dermacut Medical Pte. Ltd. (“Dermacut”)
EcoPhage Ltd. (“EcoPhage”)
ElastiMed Ltd. (“ElastiMed”)
EndoSiQ Pte. Ltd. (“EndoSiQ”)
Equinom Ltd. (“Equinom”)
Escala Medical Ltd. (“Escala”)
Fidmi Medical Ltd. (“Fidmi”)
FruitSpec Ltd. (“FruitSpec”)
GreenSpense Ltd. (“GreenSpense”)
Hargol FoodTech Ltd. (“Hargol”)
IBI-Ag Ltd. (“IBI Ag”)
Insectta Pte. Ltd. (“Insectta”)
interVaal Pte. Ltd. (“interVaal”)
Leviticus Cardio Ltd. (“Leviticus Cardio”)
liberDi Ltd. (“liberDi”)
Limaca Medical Ltd. (“Limaca”)
Medulla Pro Pte. Ltd. (“Medulla Pro”)
MetoMotion Ltd. (“MetoMotion”)
MiRobot Ltd. (“MiRobot”)
Mycovation Pte. Ltd. (“Mycovation”)
NasoTrak Medical Pte. Ltd. (“NasoTrak”)
NeuroQuest Ltd. (“NeuroQuest”)
NICE Surgical Pte. Ltd. (“NICE”)
OccuTrack Medical Solutions Pte. Ltd. (“OccuTrack”)
Omeq Medical Ltd. (“Omeq”)
Phytolon Ltd. (“Phytolon”)
PlanetWatchers Inc. (“PlanetWatchers”)
PregnanTech Ltd. (“PregnanTech”)
ProArc Medical Ltd. (“ProArc”)
ProJini Agchem Ltd. (“ProJini”)
Saturas Ltd. (“Saturas”)
SetBone Medical Ltd. (“SetBone”)
SenterCare Ltd. (“SenterCare”)
Solveat Ltd. (“Solveat”)
Sol Chip Ltd. (“Sol Chip”)
STeP Pte. Ltd. (“STeP”)
Stimatix G.I. Ltd. (“Stimatix”)
S.T.S. Medical Ltd. (“ST Stent”)
Szone Medical Pte. Ltd. (“Szone”)
TendonPlus Medical Pte. Ltd. (“TendonPlus”)
Vensica Therapeutics Ltd. (“Vensica”)
Vessi Medical Ltd. (“Vessi”)
ViAqua Therapeutics Ltd. (“ViAqua”)
ZygoFix Ltd. (“ZygoFix”)

GROUP STRUCTURE(1)

Our corporate structure as at 8 March 2022.



(1) See the complete list of portfolio companies in the Business Review chapter of this Annual Report.

(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 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 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. 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 Trendlines Investments Israel (see Table B).

(6) Thirteen consolidated companies of Trendlines Medical Singapore (see Table C).

(7) Trendlines Innovation Labs (Israel, Singapore, China) was established as an innovation center to invent and develop technologies for The Trendlines Group and in collaboration with global companies — all to address unmet market needs. The technologies developed by Trendlines Labs may be sold, licensed to others, or further developed for commercialization under the auspices of The Trendlines Group or in cooperation with its commercial partners.

(8) Portfolio companies held by the MTIF (see Table F).

(9) Portfolio companies held by the Bayer Trendlines Ag Innovation Fund (see Table E).

(10) Portfolio companies held by the Trendlines Agrifood Fund (see Table D).

(11) Portfolio companies held by the Trendlines Group (see Table A).

GROUP STRUCTURE

Table A – Portfolio Companies of The Trendlines Group	Outstanding Holdings %	Fully Diluted Holdings %
AgroScout	27.40	22.43
AlgaHealth	32.50	31.24
Arcuro	24.04	21.55
Ceretrieve	50.00	42.43
ElastiMed	37.59	32.87
Escala	49.60	41.86
Fidmi	44.26	42.84
FruitSpec	25.10	21.56
Hargol	23.70	22.99
liberDi	49.55	39.60
Limaca	94.12	66.50
MetoMotion	31.68	29.46
NeuroQuest	68.08	31.72
Omeq	32.26	30.36
ProArc	18.65	17.00
SenterCare	50.00	45.00
SetBone	50.00	46.63
Stimatix	28.14	27.16
ST Stent	30.34	22.88
Vensica	13.37	11.91
Vessi	48.70	45.42
ZygoFix	49.71	43.73

Table B – Portfolio Companies of Trendlines Investments	Outstanding Holdings %	Fully Diluted Holdings %
AquiNovo	46.77	39.07
BioFishency	22.87	17.40
CoreBone	38.83	33.03
Dasyo	44.00	42.02
EcoPhage	46.76	39.25
GreenSpense	15.34	13.85
IBI Ag	35.12	32.76
Leviticus Cardio	20.07	16.61
MiRobot	30.36	24.03
Phytolon	82.60	68.22
PregnanTech	73.10	70.31
ProJini	48.98	43.78
Saturas	21.75	18.19
Sol Chip	29.13	24.90
Solveat	50.92	40.00
ViAqua	40.73	39.28

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 %
Avir	49.00	43.03	36.00	35.97
Ayzer Sense	70.00	77.51	0.00	0.00
Continale Medical	36.11	30.66	63.89	61.34
Dermacut	62.50	47.50	37.50	37.50
EndoSiQ	65.00	43.00	35.00	35.00
interVaal	16.12	45.00	80.60	46.07
Medulla Pro	60.00	54.47	40.00	38.93
NasoTrak	68.24	49.02	31.76	29.77
NICE	80.00	55.68	20.00	19.60
OccuTrack	66.90	56.82	33.10	31.46
STeP	60.00	60.00	40.00	40.00
Szone	55.06	36.69	44.94	44.53
TendonPlus[1]	62.50	48.00	37.50	36.00

Table D – Portfolio Companies of the Trendlines Agrifood Fund	Outstanding Holdings %	Fully Diluted Holdings %
Equinom	5.40	4.70
Saturas[2]	4.33	6.97
Insectta[3]	30.00	30.00
Agwa Farm	12.65	10.80
Mycovation[4]	20.00	20.00
PlanetWatchers	10.06	7.00
AgriG8[5]	27.17	25.00

Table E – Portfolio Companies of the Bayer Trendlines Ag Innovation Fund[6]	Outstanding Holdings %	Fully Diluted holdings %
IBI Ag	48.00	45.90
EcoPhage	28.71	24.10
ProJini	31.39	29.23

Table F – Portfolio Companies of the Maryland/Israel Trendlines Fund	Outstanding Holdings %	Fully Diluted Holdings %
Stimatix	1.57	1.52
NeuroQuest	0.00	3.85
ProArc	3.60	3.22
GreenSpense	3.67	3.32
Leviticus Cardio	5.95	4.92

1. Consolidated on 14 January 2021.
2. Also held by The Trendlines Group (18.19%).
3. Also held by the Trendlines Agrifood Innovation Centre (5.00%).
4. Also held by the Trendlines Agrifood Innovation Centre (4.00%).
5. Also held by the Trendlines Agrifood Innovation Centre (9.00%).
6. All companies held by Trendlines Investments (33.70%, 32.76%, 43.78%, respectively).

CORPORATE PROFILE

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

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

As are truly hands-on investors, we provide our portfolio companies with intensive support, including technology development, business development, marketing and commercialization strategies, investment and financial strategies, and much more.

Most of our early-stage portfolio companies work from our offices in Israel or Singapore during their first years — and often for much longer.

Through direct investment and through our investment funds, we invest in the companies that we have founded and in carefully selected newly identified later-stage companies. Our in-house technology team, Trendlines Innovation Labs, invents and develops technologies for investments with our multinational corporate partners in the US, Europe, Japan, China, and Israel and develops products and technologies from which we establish companies in our incubators.

The Group's cooperation models include joint ventures, partnerships, co-investments, 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 though exit.

Direct Investment

Trendlines Agrifood Innovation Centre
Incubator and accelerator program investing in and developing agrifood tech in Asia (Singapore)
Agrifood

Trendlines Group & Trendlines Investments
Incubator investing in medical devices and agrifood tech (Israel)
Agrifood | Medtech

Trendlines Medical Singapore
Incubator investing in and developing medical devices (Singapore)
Medtech

Trendlines Innovation Labs
Initial R&D and IP development (Israel, Singapore, China)
Medtech

Investment Funds

Maryland/ Israel Trendlines Fund
Fully invested fund
Agrifood | Medtech

Bayer Trendlines & Ag Innovation Fund
Collaborative fund for incubator and pre-incubator companies in ag biotechnology
Agrifood

Trendlines Agrifood Fund
Focused on young and mature agrifood tech companies
Agrifood

TRENDLINES' TOP 10 CORPORATE MILESTONES

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

2011
Focused second technology incubator on developing agricultural and food technologies (Trendlines Agtech)

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, to be sold, licensed, or developed further for commercialization

2015
Completed IPO on the Singapore Securities Exchange

2016
Established Israel-based Bayer Trendlines Ag Innovation Fund in collaboration with Bayer Crop Science to focus on investments in early-stage agrifood tech portfolio companies of the Group

From left to right: Nir Goldenberg, Nitza Kardish PhD., Barak Singer, Todd Dollinger, Steve Rhodes, Haim Brosh

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

2019
Established Singapore-based Trendlines Agrifood Innovation Centre to leverage technological and scientific knowledge in Singapore and the region

2019
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; Fund completed a first close of US$17.0 million

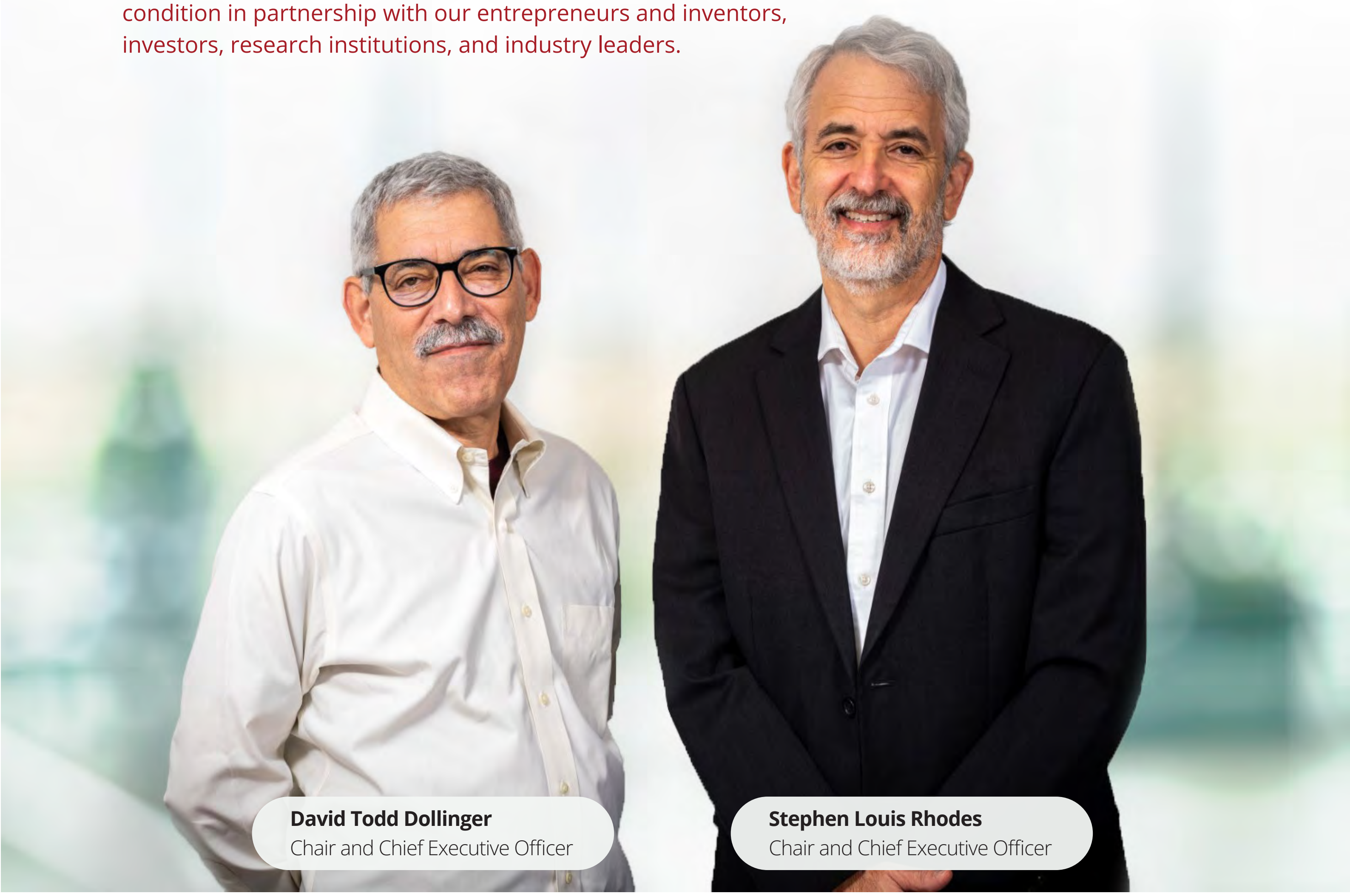
2020
Expanded activities of Trendlines Innovation Labs, opening offices in Singapore and China (Shanghai and Changzhou)

2020
Opened Trendlines Medical Shanghai Innovation Centre in Shanghai's Putuo District to focus on developing innovations with Chinese medical device companies and to function as a platform for R&D, technology exchange, and business development for The Trendlines Group and our portfolio companies

See also the Group Structure on pages 3 to 5 for complete details.

CHAIRS' STATEMENT

Trendlines creates and develops companies to improve the human condition in partnership with our entrepreneurs and inventors, investors, research institutions, and industry leaders.



David Todd Dollinger
Chair and Chief Executive Officer

Stephen Louis Rhodes
Chair and Chief Executive Officer

DEAR SHAREHOLDERS,

On behalf of the Board of Directors and management, we are pleased to present our annual report for the financial year ended 31 December 2021.

PORTFOLIO VALUE EXPANSION

The graph above shows the growth in value of our maturing portfolio, including cash received and committed from exits, but excluding potential earnout payments. Since our listing in November 2015, the total value created by our Company has more than doubled and we are poised for significant growth. Before exploring the future, let's review 2021.

2021 was a pivotal year for Trendlines. While navigating the challenges of COVID-19, we had outstanding achievements, among them:

• Portfolio company OrthoSpin was acquired by DePuy Synthes (the orthopedic company of Johnson & Johnson) for US$79.5 million, generating US$15.8 million in proceeds for Trendlines, which considerably improved our cash proceeds for the year.

• Our portfolio companies raised US$77.0 million in follow-on funds, with six companies raising over US$4.0 million each; this compares with US$43.0 million raised in 2020 and two companies raising more than US$4.0 million.

• Vensica Therapeutics signed a strategic partnership agreement with Merz Pharmaceuticals and raised a total of US$19.0 million, including from Merz, global medtech company Laborie, and Israel Biotech Fund, along with Trendlines.

• Trendlines Innovation Labs entered into partnership agreements with Röchling Medical (Germany) and Waston Medical (China).

- Trendlines Agrifood entered into an innovation collaboration agreement with Mitsubishi.
- We held AgriVest 2021 virtually, together with our ecosystem partners.
- Across our investment platforms, we invested in seven new companies.

Vaccinations for COVID-19 were rolled out in Israel in January 2021, with other countries following. This led to a partial opening of markets, our spending more time in our offices, and resuming some international travel. Like the previous year, there were disruptions to clinical and field trials. Overall, we estimate the impact on the Group and our companies as limited.

In July 2021, we withdrew our proposed dual primary listing on the Tel Aviv Stock Exchange. While market conditions had initially been deemed highly favorable for a listing, in mid-2021 market sentiment for new listings in Tel Aviv became negative and the pace of Tel Aviv IPOs dropped dramatically. Under those circumstances, we determined that it was not in the best interest of the Company to continue the process. Alternatively, we decided to pursue a new funding process via a PIPE that we initiated at the beginning of 2022.

IS THE TRENDLINES BUSINESS MODEL WORKING?

Our answer to this question is a resounding YES.

As originally described in our offering document dated 16 November 2015, our business model is focused on making early-stage investments in medtech and agrifood technology companies. We are "company creation" investors. By investing very early, we get large stakes in our portfolio companies and that stake is increased with the significant in-kind investments that we make.

A few key metrics highlight that Trendlines has grown stronger over the six years since we went public, and we believe the coming years will be very good for Trendlines and its shareholders:

- As shown in the graph at the beginning of this letter, our portfolio value (including cumulative value of exits), not including potential future earnouts, has increased by 123% since our listing.
- In 2021, our portfolio companies raised about four times more than they did in 2015.
- We have had five exits since the listing, including our two largest exits ever in 2020 and 2021, with an ROI of 9.7x and taken together generated a weighted average IRR of 175%.
- Today, on average, our 57 portfolio companies are more mature and closer to potential exits than at any time in the past, as reflected in numerous ways, including total follow-on capital raised, the record-setting absolute number of large raises in 2021, the number of companies in revenues, and other metrics.

And while our share price continues to trade at a roughly 40% discount to our NAV, we note with pride that the last three capital infusions into Trendlines have been led by sophisticated financial investors from the United States and the United Kingdom, all at premiums of 15% to 25% over our then prevailing share prices.

During 2021, many of our portfolio companies achieved value-building milestones. This includes 12 of our more advanced companies, as highlighted on pages 11 and 12 of this Annual Report. With an ever-growing collection of more mature companies, we believe that the Trendlines' model is working and producing significant value to the benefit of our shareholders.

See more portfolio achievements in the Business Review chapter of this Annual Report.

OUR 2021 RESULTS – PROFITABILITY AND VALUE CREATION

In FY2021, the fair value of the Group's portfolio, comprising 41 portfolio companies presented at fair value (not including 13 consolidated Singapore-based companies. and 3 companies held by The Trendlines Agrifood Fund), was US$83.0 million as at 31 December 2021, compared to the fair value of the Group's portfolio of US$83.7 million as at 31 December 2020 (including US$2.7 million, the value of OrthoSpin which we exited during 2021). Portfolio value, excluding the value of OrthoSpin, increased by US$2.0 million compared to FY2020. Note that portfolio value does not include the value of 13 companies that are consolidated in our books and that 8 companies raised capital in 2021 through SAFE mechanisms, which, while adding value to the companies, does not affect the valuations of our holdings. We trust that many or most of these investments will lead to future increases in valuation. Our total portfolio value, plus exit proceeds (excluding potential earnout payments see chart above), is up US$70.6 million since our listing in 2015, from US$57.2 million to US$127.8 million.

Our total assets were approximately US$121.1 million as at 31 December 2021, compared to US$116.8 million as at 31 December 2020. Current assets were US$22.2 million as at 31 December 2021, compared to US$13.5 million as at 31 December 2020. The increase is mainly due to total exit proceeds received from the OrthoSpin deal, offset by the utilization of cash for investment in portfolio companies and operating activities in FY2021. Total cash, short- and long- term deposits and receivables increased to US$27.2 million as at 31 December 2021 compared to US$20.3 million as at 31 December 2020. The NAV per share as at 31 December 2021 was US$0.13; SGD 0.17 or US$6.50 per ADR compared to US$0.12; SGDS$0.16 or US$6.00 per ADR as at 31 December 2020.

We strengthened our cash proceeds during 2021 with the OrthoSpin exit proceeds; however, we did not reach sufficient liquidity to enable us to exercise our dividend policy and declare a distribution for FY2021.

SPOTLIGHTING SUSTAINABILITY

Our commitment to improving the human condition is more than just a mission statement, it drives our investment decisions and our operating practices – it is our touchstone. Trendlines places great emphasis on employing a strategic approach to oversee and manage ESG factors. We took two important steps towards achieving our sustainability mission during 2021. The first was our involvement in the activities of PLANETech, a non-profit innovation community supporting climate change technologies and building tools that can be used by companies to set, monitor, and monetize their sustainability goals. The second was the recruitment of a Director of Sustainability, who will implement these tools both on a Group level and who will work with our portfolio companies in building their sustainability road maps.

The COVID-19 pandemic highlighted the issues of food security and accessible healthcare worldwide and reaffirmed interest in these two areas from industry, investors, and government. In a world of diminished resources, food security for a growing population and the need for a sustainable healthcare system are more important than ever. We believe that innovation is key to providing solutions for both these spheres and improving the human condition.

In this year's Sustainability Report, using the UN SDGs and PLANETech's Climate Challenge Map, we highlight several portfolio companies that are making a positive impact and contributing to sustainable systems. We continue to deepen our commitment to sustainability in the agrifood tech and healthcare sectors through our investments in and support of these innovation-based companies.

Our commitment to the environment is reflected not only through our portfolio but in our daily operations as well. In 2021, we continued reviewing our practices to further reduce our own environmental footprint.

For full details on our ESG policies and practices, see the Sustainability Report Chapter in this Annual Report.

BUILDING INVESTOR EXPOSURE

For the second year running, we transferred our communication channels with our shareholders and potential investors to virtual meetings due to pandemic-posed travel limitations.

Our AGM was held via videoconference, and we added more business updates to the calendar, following our move to semiannual financial reporting, as another means of connecting, providing updates, and answering questions.

We remain focused on building long-term value for our shareholders, and we are confident in our business models and our corporate strategy. We continue to focus on making the right investment decisions, building our portfolio companies, and achieving the best possible results for all.

ACKNOWLEDGEMENTS AND APPRECIATION

We want to take this opportunity to thank our Board, management, and employees for their hard work; and our partners, inventors, entrepreneurs, sponsors, shareholders, and the governments of the State of Israel, the Republic of Singapore, and the People's Republic of China, for their continued support and confidence in The Trendlines Group. The commitment of all in these difficult times is truly commendable and deeply appreciated.

DAVID TODD DOLLINGER
Chair and Chief Executive Officer

STEPHEN LOUIS RHODES
Chair and Chief Executive Officer

MEDTECH HIGHLIGHTS

These six medtech portfolio companies made significant strides in 2021 and are poised for exciting future developments in their fields.

Arcuro Medical

An all-suture, knotless meniscus repair system

Launched sales in US, Latin America, UK.

>500 successful implants; up to 24-month follow-up

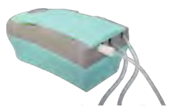
FDA and CE clearance

escala medical

Minimally invasive, nonsurgical, incision-free and mesh-free repair device to treat pelvic organ prolapse (POP) in ambulatory or office-based settings

Ongoing FIH clinical study, 12-month follow-up

Key feasibility studies completed



liberDi

Digital dialysis "clinic" that allows people to perform dialysis anywhere – safely, simply, and effectively

Ongoing FIH clinical study

Very positive patient and industry feedback

PregnanTech
Your Pregnancy Our Focus

Device to prevent preterm birth to allow women with a healthy pregnancy to reach delivery at term

Completed FIH safety clinical study

Endorsed by one of the leading European obstetricians

VESSI MEDICAL

A new approach to treat superficial bladder cancer: surface cryotherapy to freeze and destroy abnormal tissue

Ongoing FIH clinical study

Successful preclinical studies

VENSICA

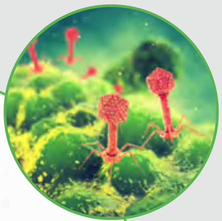
Ultrasound catheter used to deliver Xeomin® in a needle-free, painless procedure for treatment of overactive bladder

Strategic partnership with Merz, a leader in the field of neurotoxins

Closed investment round of $19 million led by Israel Biotech Fund

AGRIFOOD TECH ADVANCES

These six agrifood tech companies made significant progress in 2021, and we're looking forward to watching their next steps.



EcoPhage
Natural Crop Protection

Sustainable and effective, phage-based crop protection solutions to manage bacterial plant diseases

Took first place in AgriVest 2021 competition

Final phage "cocktails" designed and scaled-up by fermentation

Greenhouse experiments in progress

insectta

Utilizes the black soldier fly to take food waste and return it to the economy as valuable biomaterials

Awarded Merit Award in the National Environment Agency Waste Valorisation Award 2021 (Singapore)

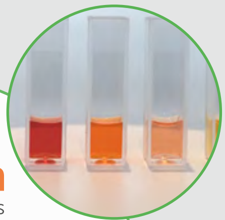
Successful trial with Vi-Mask to use its chitosan as the antimicrobial layer in the face mask

METOMOTION

Multipurpose robotic system for labor-intensive tasks in greenhouses

Closed a US$5 million funding round led by strategic investors (Ridder and Navus Ventures)

Secured first commercial sales order



Phytolon
Natural Food Colors

Develops technology for the reliable, cost-effective production of natural food colors

Achieved full proof of concept:: color production and food application

Market focus verified from industry leaders

Pilot projects at global food industry leaders including Nestlé

VIAQUA
THERAPEUTICS

Orally administered health management solution for aquaculture to improve resistance to viral diseases

Closed US$4.7 million funding round

Lead investors include S2G, VisVires New Protein, Thai Union

Expanded product pipeline to additional diseases, species

AgroScout
Detection Done Right

Artificial intelligence-based, autonomous system that protects crops everywhere

Closed US$7.5 million funding round to expand its AI-based agronomy analytics service

Acquired the assets of TerrAvion to broaden its imagery capabilities

FINANCIAL HIGHLIGHTS 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 2021 and 31 December 2020.

Total assets increased by approximately 3.73% from US$116.8 million as at 31 December 2020 to US$121.1 million as at 31 December 2021. This was mainly due to an increase in cash and cash equivalents of US$3.7 million, decrease in investments in portfolio companies of US$0.7 million, increase in accounts and other receivables (short and long term) of US$3.2 million, increase in contingent consideration of US$3.7 million, and the increase in right of use asset of US$0.6 million, which was offset by, reduction of deferred tax asset of US$6.8 million as an offset from deferred tax liability due to the statutory merger of Trendlines Incubators Israel Ltd.

NON-CURRENT ASSETS

INVESTMENTS IN PORTFOLIO COMPANIES

The investments in portfolio companies of US$83 million as at 31 December 2021 comprised of 41 portfolio companies presented at fair value (not including the 13 consolidated Singapore-based companies). There was a decrease of US$0.7 million or 0.82% as compared to 31 December 2020.

The changes in the value of our investments in portfolio companies were mainly due to:

i. a decrease pursuant to the sale of OrthoSpin of approximately US$2.7 million due to the derecognition of the carrying amount;

ii. a decrease of US$9.7 million in the fair value of Stimatix GI due to the initial revenues of Stimatix GI being lower than previous projections arising from the product's staggered launch;

iii. a decrease of approximately US$5.5 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 FY2021; and

iv. the write-off of seven (7) portfolio companies of approximately US$4.5 million as a result of lack of funding in those companies.

The decrease in fair value of investments in portfolio companies was partially offset by:

i. an aggregate net increase of US$19.7 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;

ii. four (4) additional portfolio companies, which contributed approximately US$1.9 million to the fair value of our portfolio companies as at 31 December 2021.

LONG-TERM BANK DEPOSITS

The decrease in long-term bank deposit in the amount of US$4.1 million is due to the investment in a bank deposit that was classified as long term during FY2020, but which is now classified as short-term that will mature in January 2022.

ACCOUNTS AND OTHER RECEIVABLES AND CONTINGENT CONSIDERATION RECEIVABLE

Accounts and other receivables and contingent consideration receivables increased by US$6.9 million as at 31 December 2021 mainly due to updated assessment of the consideration receivable in respect to the ApiFix sale and due to the time factor of the payments expected to be received, as well as higher contingent consideration receivable from the sale of our former portfolio company, ApiFix, to OrthoPediatrics Corp in H1 2020 and approximately US$2.3 million that is in escrow as part of the OrthoSpin sale.

CURRENT ASSETS

As at 31 December 2021, current assets amounted to approximately US$22.2 million and mainly comprised of cash and cash equivalents, short-term bank deposits, accounts and other receivables, and short-term loans to portfolio companies.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased by approximately US$3.7 million mainly due to positive cash flow from operating activities and loan received in FY2021.

FINANCIAL HIGHLIGHTS AND REVIEW

LONG-TERM LIABILITIES

Our long-term liabilities amounted to approximately US$8.1 million as at 31 December 2021, a decrease of 53.86% as compared to 31 December 2020. Our long-term liabilities represented approximately 43.65% of our total liabilities as at 31 December 2021.

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 2020, long-term deferred revenues amounted to US$0 million. The increase of US$0.5 million as at 31 December 2021 was due to a higher number of portfolio companies having deferred revenues to be recognized in the 13- to 24-month period as at 31 December 2021, as compared to that as at 31 December 2020.

CURRENT LIABILITIES

Our current liabilities increased by approximately US$7.5 million from approximately US$3.0 million as at 31 December 2020 to approximately US$10.4 million as at 31 December 2021, mainly as a result of the increase in the short-term loan and the trade and other payables.

TRADE AND OTHER PAYABLES

Trade and other payables increased by approximately US$2.6 million, from approximately US$1.7 million as at 31 December 2020 to approximately US$4.2 million as at 31 December 2021, mainly due to an increase in trade payables relating to services provided at year end for establishment of a new laboratory, and other payables related to the bonus payable in respect of the OrthoSpin sale.

SHORT-TERM LOAN

Short-term loan increased by US$4.2 million. During 2021, the Company received a US$4 million bank loan pledged by a deposit of US$4 million that will mature in January 2022. The bank loan was drawn down for working capital purposes. The loan bears a monthly interest of LIBOR + 3.5%.

In addition, the Company signed a new loan agreement with Agriline Limited ("Agriline"), pursuant to which Agriline has granted a loan facility in the principal amount of US$0.7 million (the "Loan") to the Company, for the purpose of financing a part of the Company's participation in the Series C fund-raising round of Vensica, a portfolio company of the Group. The Loan bears a variable interest rate based on the changes in the valuation of Vensica, up to an annual rate of 7%.

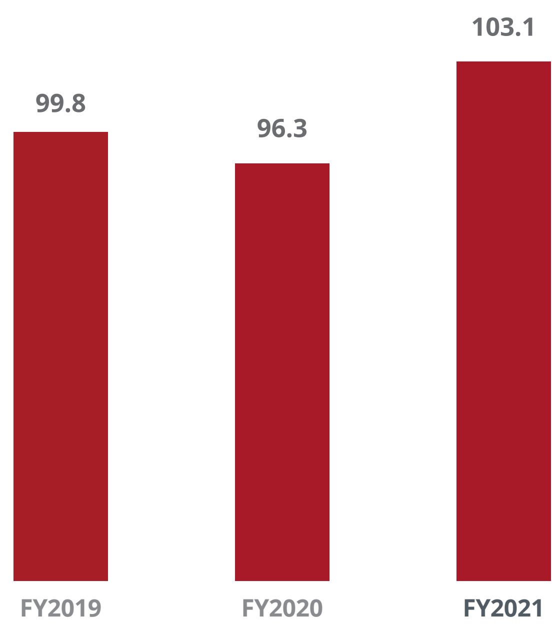
SHORT-TERM DEFERRED REVENUES

An increase of US$0.6 million in the short-term deferred revenue. An increase of US$0.2 million was mainly due to higher number of portfolio companies, as at 31 December 2021, that have deferred revenues to be recognized in the 1- to 12-month month period, as compared to that as at 31 December 2020. In addition, there was an increase of US$0.3 million advance revenues for service not yet provided by Trendlines Innovation Labs.

EQUITY

As at 31 December 2021, equity attributable to equity holders of the Company amounted to approximately US$103.1 million.

TOTAL EQUITY (US$,000)



LOANS FROM THE IIA

The loans from the IIA increased by US$0.1 million or 3.5%, from US$2.6 million as at 31 December 2020 to US$2.7 million as at 31 December 2021, mainly due to a new loan received from the IIA during the period.

DEFERRED TAXES

Deferred tax liabilities, net of deferred tax assets, decreased by US$3.3 million or 27.17%, mainly due to the recognition of carryforward losses.

[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.

FINANCIAL HIGHLIGHTS AND REVIEW

INCOME

Total income increased by approximately US$18.9 million from a loss of US$2.8 million in FY2020 to an income of approximately US$16.1 million in FY2021.

GAIN FROM CHANGE IN FAIR VALUE OF INVESTMENTS IN PORTFOLIO COMPANIES

The gain in fair value of investments in portfolio companies was US$9.2 million in FY2021 as compared to a loss from change in fair value of investments of US$11.0 million in FY2020.

In FY2021, there was an increase of US$13.3 million due to the OrthoSpin sale, which was sold to Synthes GmbH (the orthopedics company of Johnson & Johnson). In addition, there was an increase of US$15.6 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.

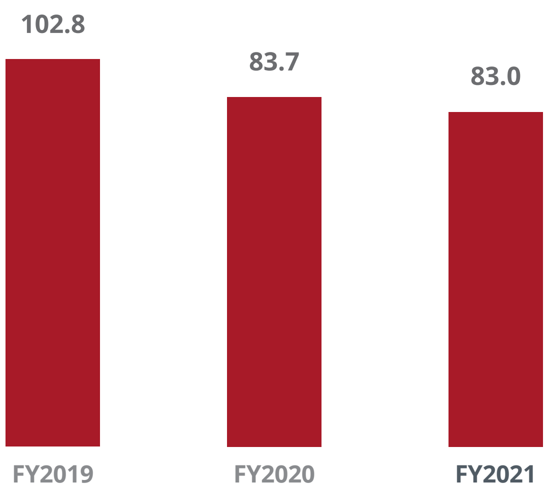
The increase in fair value of investments in portfolio companies was mainly offset by:

(i) a decrease of approximately US$5.5 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 FY2021; and

(ii) a decrease of US$9.7 million in the fair value of Stimatix GI due to the initial revenues of Stimatix GI being less than previous projections arising from the product's staggered launch;

(iii) the write- off-of seven (7) portfolio companies of approximately US$4.5 million as a result of lack of funding in those companies.

FAIR VALUE OF PORTFOLIO COMPANIES (US$,000)



FINANCIAL INCOME

Financial income increased by US$0.3 million mainly as a result of the increase in the fair value of the contingent consideration receivable and the interest on the long-term receivables, which were recorded upon the sale of our former portfolio company, ApiFix, to OrthoPediatrics Corp in April 2020.

OPERATING, GENERAL, AND ADMINISTRATIVE EXPENSES

Operating, general, and administrative expenses increased by approximately US$3.2 million or 40.15%. The change was mainly as a result of increase in the operating activity of the entire Group.

FINANCIAL EXPENSES

Financial expenses decreased by US$0.3 million due to a decrease in the exchange rate between US$ and NIS (US$: NIS) in FY2021 as compared to decrease in the exchange rate in FY2020.

INCOME FROM SERVICES TO PORTFOLIO COMPANIES

Income from services to portfolio companies comprised of approximately US$0.8 million received as overhead reimbursement from our portfolio companies and approximately US$0.8 million value of non-cash benefits received from the IIA in Israel. Income from value of non-cash benefits received from the IIA decreased by approximately US$1.4 million or 64% mainly due to lower number of new portfolio companies that were serviced by the Group in FY2021 as compared to that in FY2020.

INCOME (LOSS) BEFORE INCOME TAXES (TAX BENEFIT)

In view of the above, income before tax benefit in FY2021 was approximately US$2.6 million compared to a loss of approximately US$12.9 million in FY2020, mainly due to the gain from change in fair value of investments in portfolio companies as compared to the loss on this item in FY2020.

CONSOLIDATED STATEMENT OF CASH FLOW

Net cash provided by operating activities of US$0.7 million in FY2021 was mainly due to a net gain of US$6.0 million and adjustments for non-cash items such as (i) gain from changes in fair value of investments in portfolio companies of approximately US$9.2 million; (ii) income from services to portfolio companies and R&D contracted services of approximately US$0.8 million; (iii) financial income, net of approximately US$3.4 million; and (iv) investments in portfolio companies, net of approximately US$4.6 million (v) income tax benefit of approximately US$3.4 million

Net cash used in investing activities of US$0.6 million in FY2021 was mainly due to purchase of property, plant, and equipment of approximately US$0.6 million.

Net cash provided by financing activities of US$3.6 million in FY2021 was mainly due to a loan of approximately US$4.2 million.

FINANCIAL HIGHLIGHTS AND REVIEW

FINANCIAL SUMMARY (US$,000)

	FY2019	FY2020	FY2021
Total portfolio fair value	102.8	83.7	83.0
Total income	9,822	(2,849)	16,122
Total expenses	9,685	10,098	13,477
Income/(loss) before income taxes	137	(12,947)	2,645
Income tax (expense)	(832)	8,996	3,355
Net income/(loss)	(695)	(3,951)	6,000

OUR 10 MOST VALUABLE COMPANIES

Company Name	Year of Initial Investment	% Owned (Fully Diluted)
AgroScout	2018	22.43%
Arcuro	2013	21.55%
Ceretrieve	2016	42.43%
Elastimed	2015	32.87%
Fidmi	2014	42.84%
Hargol	2016	22.99%
IBI Ag	2018	32.76%
Phytolon	2018	68.22%
ST Stent	2013	22.88%
Vessi	2017	45.42%

**The 10 most valuable companies excludes future earnouts from companies for which we still carry value. For information on the ApiFix and Stimatix earnouts, see page 138 and page 137 of this Annual Report.*

BUSINESS REVIEW

See also the Chairs' Statement and Senior Management chapters in this Annual Report, and the News section of the Trendlines website (www.trendlines.com/news).

The Trendlines Group establishes, invests in, and builds innovative medtech and agrifood technology companies in accordance with our mission of investing to improve the human condition. We invest via our incubators in Israel and Singapore and through our venture funds, the Bayer Trendlines Ag Fund in Israel and the Trendlines Agrifood Fund in Singapore. Our in-house innovation group, Trendlines Innovation Labs, invents and develops medtech and agrifood technology solutions as co-investors with our multinational strategic partners and for investment and further development in our incubators.

We are honored to have earned an international reputation as a leader in life science investing, attracting the attention of multinational medtech and agrifood corporations, and acting in partnerships with these global players.

CORPORATE

Throughout 2021, due to the ongoing pandemic, the Group's management team continued to evaluate and adjust our work-from-home policies, social distancing, and office hygiene protocols to align with changing Israeli, Singaporean, and Chinese government policies and guidelines for the safety and health of all. Several staff members in Israel were infected with the virus in 2021 and suffered mild to moderate symptoms. All have fully recovered. At the writing of this report, almost 100% of our employees have been vaccinated – with some of our Israeli staff having received four vaccinations.

While 2021 saw a partial reopening of international travel, we held our AGM virtually in April 2021 and only began traveling to meet with investors and strategic partners later in the year.

During the year, our portfolio companies raised over US$77 million, with two notable financing rounds of US$16 million and US$20 million by Vensica and Equinom respectively. We participated in and supported the rounds. This does not include substantial Israeli, Singaporean, and European government grants received by our portfolio companies.

In April 2021, we announced that we were investigating the option of a parallel listing on the Tel Aviv Stock Exchange. We discontinued that process considering further assessment of various factors, including prevailing general economic and capital market conditions that were not favorable to the Company.

In November 2021, our portfolio company OrthoSpin was acquired by Synthes GmbH (part of DePuy Synthes, the orthopedics company of Johnson & Johnson) for US$79.5 million in cash. The total net proceeds to Trendlines from the acquisition were US$15.8 million after expenses, representing a 165% internal rate of return (IRR) on Trendlines US$1.3 million cash investment in OrthoSpin.

We established three new portfolio companies: agrifood company Solveat and medtech companies Dasyo in Israel and TendonPlus in Singapore. Six portfolio companies launched sales despite the COVID-19 crisis. Our Agrifood Fund made four new investments: PlanetWatchers, AgwaFarm, Agri8, and Mycovation.

TEAM

For additional information, see the Senior Management chapter in this Annual Report and the Our Team page on the Trendlines website (www.trendlines.com/about/team).

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

In November 2021, we welcomed Eli Shubi as our Director of Sustainability. He brings extensive managerial experience to this role. (See more about Eli's role in the Sustainability Report chapter in this Annual Report).

EVENTS

- Chair and CEO Todd Dollinger was a judge at the Canada-Israel Cardiovascular Innovation Forum, 25 April 2021.
- Trendlines sponsored this insightful webinar, "Decoding NMPA — Navigating the Medical Device Regulatory Process in China," which featured Peng Yifei, GM of Tigermed-Jyton.

BUSINESS REVIEW

- Chair and CEO Steve Rhodes joined the Advisory Panel and served as a panelist at The Global Food Security & Sustainability Virtual Summit, 17 September 2021.
- AgriVest was held virtually on 26 October 2021, as a part of the Israel AgriFood Week. Our portfolio company, EcoPhage, won the Agtech Start-Up Competition.

- Trendlines was awarded "The Corporate Excellence and Resilience Award 2021" and quoted in the Business Times:
- "When the Covid-19 crisis hit, we quickly realised that transparent and frequent communication with staff, portfolio companies and shareholders to keep channels open and to avoid feelings of isolation and being cut off was the best strategy in dealing with the subsequent challenges that we faced as an organisation."
  Steve Rhodes, Chair and CEO, The Trendlines Group

TRENDLINES INVESTMENTS ISRAEL

Despite the COVID-19 crisis, 2021 was a record year in terms of financings for our portfolio companies: 25 companies raised a total of US$77.8 million, with Trendlines investing in most of those rounds. Six companies raised over US$4 million each, compared to two companies in 2020. A notable financing was Vensica's US$19 million round, in which we participated along with multinational industry leaders Laborie from the US, Germany's Merz Pharma, and our controlling shareholder.

OrthoSpin received FDA clearance for its second-generation system and was acquired by Synthes GmbH (part of DePuy Synthes, the orthopedics company of Johnson & Johnson). ZygoFix received CE clearance for its zLOCK spinal fusion system, and numerous companies made progress in clinical trials: ElastiMed and liberDi started clinical trials, Escala completed enrollment for its trial, and Vessi launched a FIH trial while Limaca, Ceretrieve, and Continale continued trials. Companies receiving investments and/or signing collaboration agreements included Fidmi (Micro-Tech), Vensica (Merz and Laborie) and MetoMotion (Ridder and Navus).

In 2021, Trendlines Investments Israel established two new portfolio companies, Dasyo (medtech) and Solveat (agrifood tech). Dayso is developing a noninvasive tissue-lifting device that uses directional skin tightening for applications in aesthetics. Solveat is developing new functional foods with active herbs to prevent disease and promote health.

TEAM

Tamar Shafir, PhD, joined the team as Director of Agrifood Technologies. Tamar brings extensive experience in scouting technologies and deal flow in the agrifood sector.

EVENTS

- On 2 March 2021, Trendlines Investments Israel held a webinar to introduce Israeli medtech entrepreneurs to Trendlines and its investment channels. VP Medical Deal Flow Daniel Gamsu led the discussion, which featured the participation of Escala's Edit Goldberg and ZygoFix's Ofer Levy, CEOs of two of our medical portfolio companies.

ElaStimed
ALGAHEALTH
FruitSpec.
HARGOL DELIVERING PROTEIN
ceretrieve
Continale Medical
BioFishency AQUACULTURE OPTIMIZED
SenterCare

BUSINESS REVIEW

- Daniel Gamsu was a judge at MassChallenge Israel, January-March 2021.
- Trendlines Agrifood CEO Nitza Kardish, PhD, spoke at the PLANETech workshop.
- We hosted an open house in November 2021 in collaboration with Klika Misgav, a new space that provides coworking offices and promotes innovation and entrepreneurship. Klika is located in the same business park as our Misgav, Israel, headquarters.

TRENDLINES MEDICAL SINGAPORE

Since its establishment in 2016, Trendlines Medical Singapore has founded 13 portfolio companies, one of which is Continale, developer of a self-administered, handheld device that has demonstrated efficacy in treatment of stress urinary incontinence in more than 20 patients in clinical studies conducted at Singapore General Hospital. Like Continale, despite the continuing challenges associated with COVID-19, most of our portfolio companies have progressed well, achieving key milestones in their project development plans.

NEW COMPANIES

The Trendlines Medical Singapore portfolio of companies expanded, with the establishment of, and investment in TendonPlus, which is developing a solution to prevent sutures from cutting into the tendon, thereby reducing the chances for post-surgery rotator cuff failure.

All 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.

Some Trendlines Medical Singapore's portfolio companies, including Continale, EndoSiQ, interVaal, STEP, Szone, and TendonPlus, were established based upon inventions of Trendlines Innovation Labs.

TEAM

Trendlines Medical Singapore has a team of 15 professionals with diverse experience that includes six women in business, commercial, and operational roles.

TRENDLINES INNOVATION LABS

In partnership with multinational corporations and leading research institutions, Trendlines Innovation Labs creates and develops technologies and products to meet unmet market needs. The work of our Labs team has created substantial "hidden value" for Trendlines by building an in-house IP portfolio upon which new companies may be created and become a source of recurring revenues.

Employing our experience and our partners' in-depth market knowledge, Labs is the ideal environment for shaping ideas into products and bringing them to market with our partners.

In 2021, Trendlines Innovation Labs signed collaboration agreements that included: (i) a one-stop-shop for medical device innovation, development, and manufacturing with Röchling Medical, a division of the Germany-based Röchling Group and a leading manufacturer for the healthcare industry; (ii) Waston Medical, a player in China's medical device industry; and (iii) Shanghai Sanyou Medical Co. Ltd., a Shanghai Stock Exchange traded company that researches, develops, manufactures, and distributes orthopedic implants, spine products, trauma products, and related surgical tools.

Over the past two years, Trendlines Innovation Labs has expanded into Singapore and the Chinese cities of Changzhou and Shanghai. Labs continues to invent and invest in joint projects with multinational corporations such as B. Braun and Boston Scientific.

The novel invention underlying Trendlines Medical Singapore's new company TendonPlus is based on technology development by Trendlines Innovation Labs.

BUSINESS REVIEW

TEAM

Three new employees joined the Trendlines Innovation Labs team in Singapore: Lead Engineer Wilson Li, Senior Electrical Engineer Lim Jia, and Technical Business Development Manager Jocelyn Song.

EVENTS

CEO Nir Goldenberg was a keynote speaker at the China Medtech Innovation Eco Summit in Shanghai, China, September 2021.

TRENDLINES AGRIFOOD FUND AND TRENDLINES AGRIFOOD INNOVATION CENTRE (AFIC)

In May 2021, the Agrifood Fund participated in an oversubscribed US$20M Series C round of its portfolio company, Equinom.

In early June 2021, the Agrifood Fund made its fourth investment in keeping with its blended model of later-stage and early-stage investments. The Fund invested in PlanetWatchers, a revenue-stage company that has developed a remote monitoring service supported by historical analysis to allow automatic, accurate identification for data-driven decision-making related to agricultural insurance policy and claims data.

This was followed at the end of June 2021 by its fifth. investment, in AgwaFarm. AgwaFarm is developing a home garden system that is powered by an artificial intelligence virtual agronomist. The Fund made two more investments in early-stage start-ups in 2021: AgriG8 in August and Mycovation in December. AgriG8 strives to make sustainable financing accessible to smallholder farmers in Southeast Asia by developing a proprietary credit scoring tool, and Mycovation is building a technology platform to produce protein from mycelium.

AFIC signed a partnership agreement with Mitsubishi Corporation in February 2021 for the purpose of identifying emerging agrifood technologies and start-ups of interest to Mitsubishi's global integrated business enterprise.

Trendlines and AFIC were among the sponsors of Israel's AgriFood Week, 24-28 October 2021, which included AgriVest, held virtually on 26 October 2021.

On 6 June 2021, AFIC sponsored the Women of Agrifood Nation Competition.

EVENTS

- AFIC CEO Anton Wibowo was a judge at the pitch session, Early-Stage Ag Robotics Start-Ups Meet VCs and Investors, part of WORLD FIRA (The Ag Robotics Forum) 2021, 7 December 2021.
- Agrifood Fund CEO Nitza Kardish, PhD, spoke at the Asia-Pacific Agri-Food Innovation Summit, 16-18 November.
- Anton Wibowo was a judge while Trendlines Agrifood VP Business Development Sarai Kemp and AFIC Business Ventures Manager Keith Loo were start-up mentors at SLINGSHOT 2021, 8-10 November 2021. AFIC was a community partner of the event.

BUSINESS REVIEW

- AFIC and Republic Polytechnic AgriFood held the inaugural Run Demo Day, 20 October 2021.
- Sarai Kemp served as a judge at the Aquaculture Innovation Summit 2021, 28-29 September 2021.
- Nitza Kardish, PhD, spoke at the PLANETech workshop in Tel Aviv, 2 September 2021.
- Sarai Kemp spoke at the IFA SMART & GREEN Conference, 8 June 2021.
- Nitza Kardish, PhD, was a judge at the Women of Agrifood Nation Competition, 6 June 2021.
- AFIC was an organizing partner of Deal Fridays, a virtual event showcasing six up-and-coming agritech start-ups, sponsored by Enterprise Singapore.
- AFIC held its 3i Accelerator Demo Day for cohort 2, 25 May 2021.
- Nitza Kardish, PhD, below left, and Professor Masha Niv from The Hebrew University of Jerusalem were featured on the Women of Agrifood Nation podcast, May 2021.

- Anton Wibowo was a guest speaker at Bayer's 50th anniversary in Singapore, May 2021.

OUR PORTFOLIO COMPANIES

The 57 Trendlines portfolio companies (as at 31 December 2021) are all engaged is bringing innovation-based medtech and agrifood technologies and products to market in support of our mission to improve the human condition. We believe that in the right environment, and with substantial support, significant benefit can be derived through establishing, investing in, and supporting early-stage companies for rapid growth and high returns.

The full list of portfolio companies is presented on the next page.

projini AgChem
SOLCHIP Chips from the sun
NASOTRAK
EQUINOM
OCCUTRACK
NiCE Surgical
interVaal
Medulla Pro

OUR PORTFOLIO COMPANIES

medical agrifood | Companies in **bold = 10 most valuable companies*** (as at 31 December 2021)

Portfolio Company	Short Description	Year Established
AgriG8	Building a platform for agri-financing using gamification	2021
AgroScout	**Monitoring and detecting specific diseases in crops**	**2017**
AgwaFarm	AI-powered hydroponic home farm	2020
AlgaHealth	Efficient production of materials from microalgae	2017
AquiNovo	Accelerated growth of farmed fish	2016
Arcuro	**All-suture, knotless meniscus repair system**	**2013**
Avir	Endotracheal tube reduces ventilator-associated pneumonia	2018
Ayzer Sense	Body pressure redistributor prevents pressure ulcers	2018
BioFishency	All-in-one water treatment system for aquaculture	2013
Ceretrieve	**Thrombectomy device for treating ischemic stroke**	**2016**
Continale	Device to alleviate stress urinary incontinence	2018
CoreBone	Bioactive coral-based bone graft material	2011
Dasyo	Noninvasive tissue lifting device for aesthetics applications	2021
Dermacut	Solution to improve scar revision outcomes	2020
EcoPhage	Bacteriophages (viruses that attack bacteria) for crop protection	2019
ElastiMed	**Easy-to-wear compression stocking from smart materials**	**2015**
EndoSiQ	Proprietary software to analyze real-time images of the bladder	2018
Equinom	Non-GMO seed breeding for golden- trait seeds	2012
Escala	Nonsurgical, incision-free approach for pelvic organ prolapse	2014
Fidmi	**Feeding device for improved delivery of enteral nutrition**	**2014**
FruitSpec	Accuracy in fruit yield estimation	2017
GreenSpense	Propellant-free dispensing technology	2011
Hargol	**First commercial grasshopper farm for alternative protein**	**2016**
IBI Ag	**Environmentally friendly pest management platform**	**2017**
Insectta	Black soldier fly-derived biomaterials from food waste	2017
interVaal	Reduced catheter-associated urinary tract infections	2017
Leviticus Cardio	Wireless energy transfer for ventricular assist device	2010
liberDi	Automatic, portable system for peritoneal dialysis	2016
Limaca	Endoscopic ultrasound fine-needle biopsy system	2017
Medulla Pro	Ultrasound-guided imaging for lumbar puncture	2018
MetoMotion	Robotic greenhouse vegetable harvesting system	2016
MiRobot	Multi-stall, automatic robotic milking system	2011
Mycovation	Mycoprotein technology uses mycelium in ingredient and food processes	2021
NasoTrak	Nasogastric tube safety system	2019
NeuroQuest	Simple blood test for early diagnosis of Alzheimer's	2008
NICE	Tools for more efficient intracorporeal colorectal anastomosis	2019
OccuTrack	Monitoring conditions that lead to deteriorating visual acuity	2019
Omeq	Smart epidural needle	2013
Phytolon	**Reliable, cost-effective production of natural food colors**	**2018**
PlanetWatchers	SAR analysis enables accurate data-driven decisions in the commercial world	2016
PregnanTech	Device to prevent preterm birth	2018
ProArc	Minimally invasive solution for enlarged prostate	2010
ProJini	Novel pesticides with new mode of action	2019
Saturas	Advanced Decision Support System (DSS) for optimal irrigation	2013
SenterCare	Monitoring system for aging safely at home	2020
SetBone	Novel treatment for vertebral compression fractures	2017
Sol Chip	Maintenance-free, everlasting solar battery	2009
Solveat	Integration of medicinal herbs as functional food ingredients in ordinary food	2021
Stimatix	Low-profile colostomy appliances	2009
STeP	Fluid-operated tacker and cutting instrument	2020
ST Stent	**Removable stent following sinus surgery**	**2013**
Szone	Noninvasive hydration device	2019
TendonPlus	Preventing sutures from cutting into the tendon to reduce post-surgery rotator cuff failure	2021
Vensica	Needle-free drug delivery for overactive bladder	2014
Vessi	**Cryotherapy for superficial bladder cancer**	**2017**
ViAqua	Orally administered health management for aquaculture	2014
ZygoFix	Miniature screwless spinal fusion implant	2016

** The 10 most valuable companies excludes future earnouts from companies for which we still carry value. For information on the ApiFix and Stimatix earnouts, see page 138 and page 137 of this Annual Report.*

INVESTOR RELATIONS

The Trendlines Group is committed to effective communications. We acknowledge the interests of our investor community to provide full and timely disclosure of material information and insights into the Company's stability, strength, and performance.

Committed to transparency, we fully comply with all applicable legal and regulatory requirements. We disclose significant and material corporate developments about the Group and our portfolio companies in a factual and clear manner by —

- publishing monthly Company and portfolio development updates,
- publishing our annual report and semi-annual financial and progress reports,
- releasing announcements via the SGXNet and the OTCQX,
- issuing regular press releases,
- holding interviews with reporters from financial and trade press,
- publishing investor presentations on our website,
- meeting with shareholders and analysts to review activities and answer questions, and
- publishing the Trendletter (our monthly corporate newsletter).

Our frequent communications allow stakeholders to follow our developments and understand our business. In addition to digital communications, we hold AGMs and SGMs in Singapore and conduct individual meetings with shareholders. During 2021, COVID-19 restrictions required holding these meetings via videoconference. In 2022, we expect to return to in-person meetings when allowed.

In 2020, in accordance with amendments to SGX regulations, we moved to semi-annual financial reporting. In August 2021, Chairs and CEOs Steve Rhodes and Todd Dollinger and CFO Haim Brosh held the H12021 earnings call during which they discussed our results, presented financial and business highlights for the period, and discussed current developments. We encouraged the public to send questions ahead of time so these could be answered during the call. We are focused on helping our shareholders and potential investors make informed investment decisions.

2021 INVESTOR RELATIONS

The COVID-19 travel restrictions of 2020 largely remained with us through 2021, substantially eliminating face-to-face meetings with shareholders and potential investors. We continued to promote investor awareness of The Trendlines Group via videoconferencing.

In addition to our AGM and H12021 videoconferences, we held two business updates for investors and shareholders:

- On 20 November 2021, our senior management team held a videoconference to present updates, including the OrthoSpin acquisition, which was finalized in that month.
- On 24 March 2021, Steve Rhodes and Todd Dollinger held an informal investor-focused discussion via videoconference.

The public was invited to submit questions in advance or during the videoconferences.

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

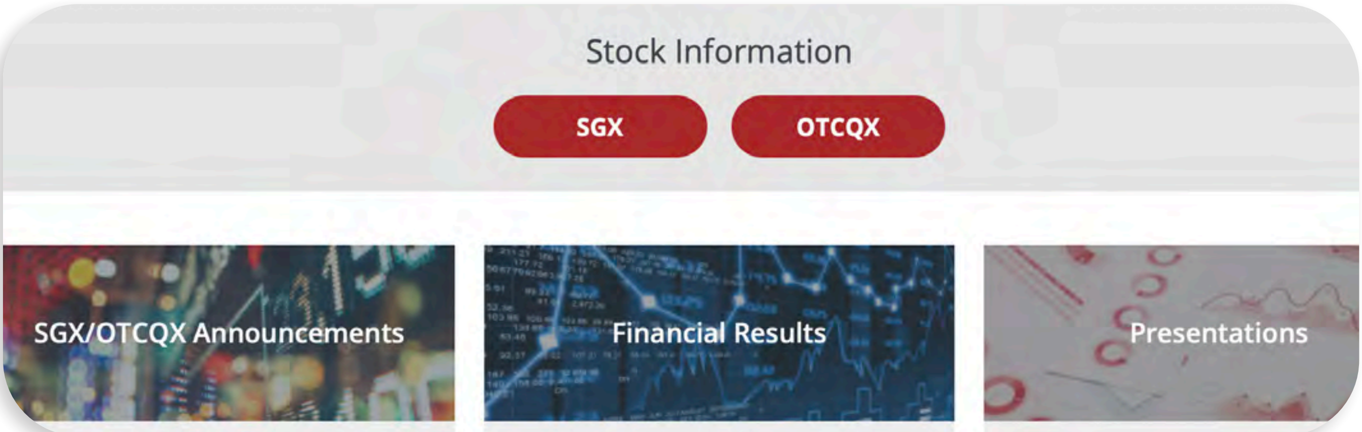
INVESTOR RELATIONS

A COMMITMENT TO COMMUNICATION THROUGH MULTIPLE MEDIA CHANNELS

The Investors section of our website provides shareholders and potential investors with convenient access to our announcements, presentations, and financial information. Additionally, all are encouraged to subscribe to our alerts and receive emails with our monthly investor-focused updates, announcements, filings, and other news.

Contact details for investor-related inquiries appear on our website at www.trendlines.com/investors/investors-contact.

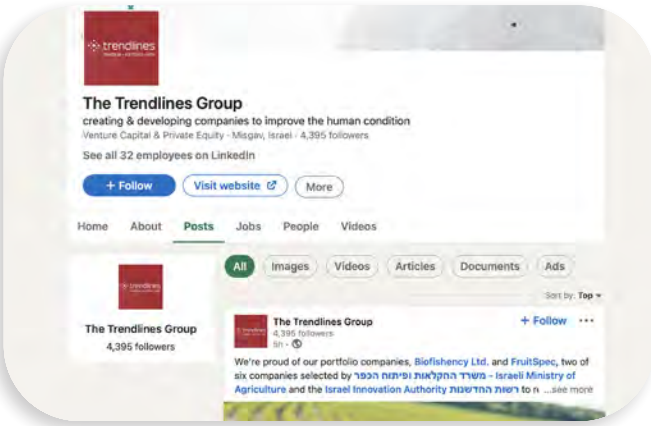
Our corporate website (www.trendlines.com) provides a comprehensive overview of our organization, including information about how we invest and the achievements of our portfolio companies and our team. The site's extensive News section includes media items related to Trendlines and our portfolio companies.

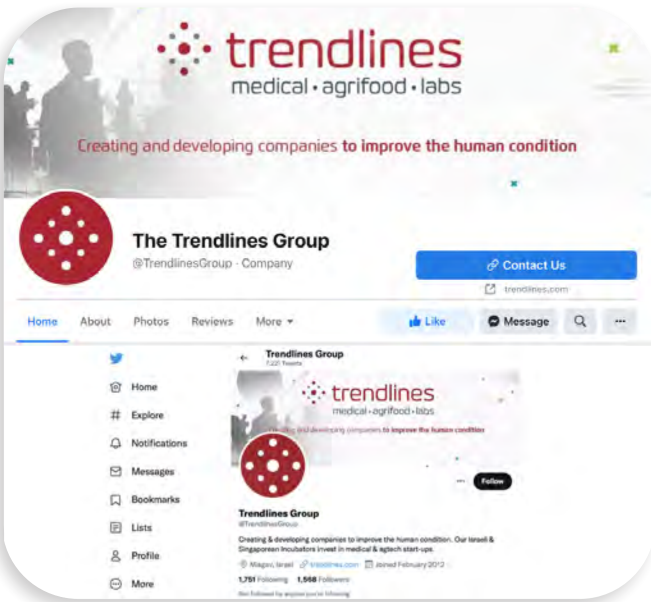


We email the Trendletter, our monthly corporate newsletter, to more than 12,000 subscribers around the world, sharing information about our organization and our portfolio companies as well as events we organize or attend and news items that feature the Group or our portfolio companies. In 2021, news and interviews about Trendlines and our companies appeared in numerous publications around the world. Current and previous issues of the Trendletter are available on our website. Site visitors may sign up for the Trendletter using the subscription form at the bottom of the homepage and may unsubscribe at any time.

Through our presence on social media platforms such as LinkedIn, Facebook, and Twitter (screenshot at right), we regularly share corporate and industry-related news and provide additional platforms to engage with our global audience.

For 2022, our investor relations strategy remains focused on increasing awareness of our business model, our general business strategy, and the progress and milestones achieved by our portfolio companies. Even more important than in previous years, due to COVID-19 travel restrictions, we will keep a constant flow of information and allow shareholders to "meet" us through participation in our regular virtual updates.





INVESTOR RELATIONS

EVENTS

We believe in the importance of face-to-face meetings and events with investors and partners. We hope that 2022 will provide us with the opportunity to meet with our stakeholders once again in person.

24 MARCH 2021

Chairs and CEOs Todd Dollinger and Steve Rhodes held an informal investor-focused discussion that reviewed FY2020 results and answered questions submitted by shareholders and analysts.

22 APRIL 2021

Our AGM was held virtually again in 2021 due to COVID-19 travel restrictions. A recording of the meeting is available on the Investors section of our website.

11 AUGUST 2021

We held an earnings call to discuss our H12021 financial results with Q&As from call participants.

5-7 OCTOBER 2021

Steve Rhodes participated in the Lytham Partners Fall 2021 Investor Conference. Steve presented the Trendlines story and met individual investors in one-on-one virtual meetings.

30 NOVEMBER 2021

Trendlines management virtual event for shareholders and analysts detailed our latest business updates.

SUSTAINABILITY REPORT

STATEMENT FROM THE BOARD

We are pleased to present our 2021 sustainability report, affirming our ongoing commitment to creating sustainable value for the Group's stakeholders.

Sustainability lies at the heart of our business and mission of investing to improve the human condition. Sustainable investing has gained traction, starting from institutional funds to the entire investment management industry, including private equity. In view of this external context and that sustainability provides multiple advantages, including organizational resilience and competitiveness, the Board and Management work toward careful management of sustainability issues as an organization and through ongoing interactions with our portfolio companies and partners.

Although 2021 brought a fresh outlook to the global economy with increasing vaccination rates and greater knowledge of dealing with the coronavirus, it was dampened by the emergence of the Delta and Omicron variants that strained medical systems and threatened to derail economic recovery. Nonetheless, the pandemic pushed us to strengthen our focus on sustainability and, above all, protect the health and safety of all our employees. We closely monitored the needs of our portfolio companies, ranging from funding needs to business continuity plans, and ensuring that appropriate assistance would be provided where necessary. Despite the uncertainty posed by the COVID-19 pandemic, there was no material impact on our liquidity and financial strength in 2021, and we expect this to continue in 2022 and beyond.

The Board together with senior management identifies, monitors, and responds to material sustainability issues that affect our business strategy and investments. In recognition of the growing importance of sustainability and the role it plays in different parts of our value chain, the Group appointed a new Director of Sustainability in 2021, Eli Shubi, who brings nearly three decades of business experience across multiples industries. Eli's appointment will build deep expertise and ensure hands-on oversight of key sustainability matters material to the Group's business operations and engagement with stakeholders.

There are many big challenges globally, such as containing the pandemic, accelerating the pace of climate action, producing sufficient food to feed growing populations sustainably, and ensuring universal and affordable healthcare for communities around the world. Our investment in the sectors of medtech and agrifood tech positions us well to deal with some of these challenges by facilitating our portfolio companies to scale their solutions globally.

SUSTAINABILITY FRAMEWORK

For Trendlines, sustainability involves balancing ESG considerations in how we formulate and implement our corporate strategy and investments. This is consistent with the emerging trend of ESG investing for global private and public markets, which involves embedding ESG factors in the investment life cycle process.

ESG issues can impact the risk/return outlook and outcomes of portfolio companies. ESG matters are wide-ranging and encompass environmental issues such as global warming and natural resource depletion, social issues such as human rights and workforce diversity, and governance issues such as compliance and supply chain management.

The ongoing task is for Trendlines to identify ESG issues that are most relevant to our organizational context, the investment sectors we focus on and the portfolio companies in our portfolio. One challenge in the investment space is that ESG information for start-ups may not be readily available or comparable, as young companies often do not have the systems and processes in place to collect, track, and report relevant data.

We are evolving and improving our sustainability framework, which is currently built on two pillars: how we implement ESG investing and how we track our impact.

ESG INVESTING

We are working toward integrating ESG considerations into our investment life cycle via a 3-step process:

1st Step

We look at the macro sustainability trends for medtech and agrifood technologies. For instance, changing weather patterns will impact crop yields: therefore, there is an urgent need to develop nutrition-rich and climate-resilient crop varieties.

2nd Step

As part of our due diligence when we engage and evaluate specific companies, we need to understand how ESG issues may impact them. For instance, are they tracking current and future ESG issues that have a material impact on their viability and growth? As active investors, we can influence portfolio companies and support them with longer-term ESG analyses, while they focus on product development and customer acquisition. This way, we can prepare them for long-term growth.

3rd Step

We pay close attention to governance policies and processes in the way we interact with and manage our portfolio companies. The companies must provide clear accountability, controls, and reporting for both financial and non-financial matters.

SUSTAINABILITY REPORT

TRACKING ESG IMPACT

We are working toward tracking and reporting our ESG impact at these three levels:

Organizational: These are the ESG practices that Trendlines can adopt as a corporate entity. For example, minimizing electricity consumption and air travel to reduce emissions, ensuring workplace health and safety, and adopting sound governance policies.

Ecosystem and network: This is how Trendlines can interact, influence, and collaborate with our portfolio companies, partners, and suppliers on ESG-related issues and initiatives.

Macro-impact: How our portfolio companies' products and services can contribute to larger socioeconomic objectives such as the UN SDGs. An overview of this macro impact is in a subsequent section of the report.

SUSTAINABILITY GOVERNANCE

Sustainability begins with good corporate governance. Trendlines Board, which includes four independent directors, one non-executive director, and two executive directors, provides oversight of our sustainability strategy and implementation. This includes overseeing the engagement of stakeholders, identification of material issues, and ensuring that sustainability-related issues are monitored and well managed.

The Board provides ongoing guidance to the Sustainability Taskforce (Figure 1 below) on effective implementation and monitoring of the relevant sustainability-related initiatives and outcomes. The three-member Taskforce — Trendlines CFO, Director of Sustainability, and Director of Operations – takes on the day-to-day aspects of sustainability duties such as liaising with our portfolio companies, tracking of ESG indicators, and monitoring compliance.

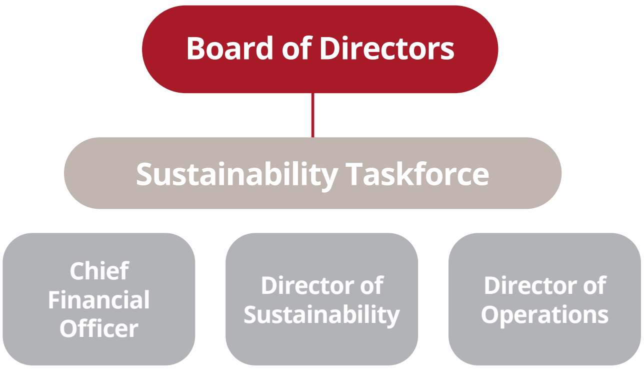


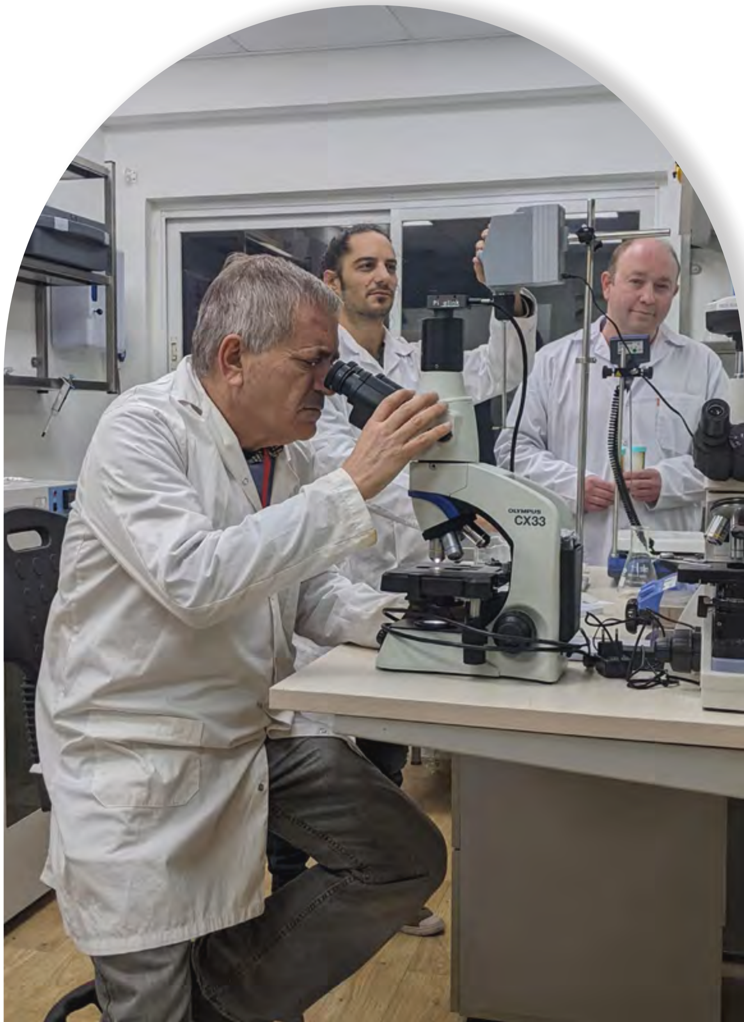
Figure 1. Sustainability governance at Trendlines

ABOUT THIS REPORT

This report shares our annual update on sustainability initiatives and performance covering the period 1 January 2021 to 31 December 2021, with the prior year's data for comparison where applicable. It has been prepared in accordance with the Core Option of the GRI Standards and applies the GRI reporting principles for Report Content and Report Quality. The GRI Standards have been chosen as they are a comprehensive 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. 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 full ESG performance and data of our portfolio companies. Additional information on portfolio companies' performance can be found in the Business Review chapter of this Annual Report and on the individual companies' websites.

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. For any questions or comments about this Sustainability Report, please contact Eli Shubi (Eli@trendlines.com).



SUSTAINABILITY REPORT

2021 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

In 2021, Trendlines began active involvement and support of PLANETech (www.planetech.org), a new nonprofit innovation community for climate change technologies in Israel. PLANETech is a joint venture of the Israel Innovation Institute and Consensus Business Group (a leading UK-based investment group, led by Vincent Tchenguiz, Trendlines' controlling shareholder). PLANETech aims to support organizations in discovering how their technologies can address climate change challenges while gaining economic value.

Table 1: 2021 Sustainability Performance Highlights

ENVIRONMENT	
Energy consumption	Energy consumption was reduced 7.3% from 190,788 kWh in 2020 to 176,840 kWh in 2021. Space used was the same in both years, 1,950 sqm, hence energy intensity was likewise reduced by 7.3% from 97.8 kWh/sqm in 2020 to 90.7 kWh/sqm in 2021
Use of low-emission vehicles	6 of our 16 leased vehicles in Israel (38%) were low-emission hybrid models
Recycling	We recycled paper and cardboard and reduced the usage of disposable utensils. Recycling efforts in 2021 were limited by lack of recycling infrastructure at the Misgav Business Park
SOCIAL	
Gender and age diversity	Of our 53 staff in Israel, Singapore, and China, 24 (45%) are female and 20 (38%) are age 50 and above
Community involvement	Ongoing talks, webinars, and engagement sessions promote innovation and enterprise
GOVERNANCE	
Reported cases of corruption	Zero
Regulatory/compliance breaches	Two incidents of delayed reporting
Representation on board of portfolio companies	Trendlines is represented on all company boards except for new companies whose boards have yet to be established
INVESTMENT	
Total number of portfolio companies	57
Number of investments in 2021	3 investments in new incubator companies 4 investments by the AgriFood Fund
Portfolio value	US$83.0 million

SUSTAINABILITY REPORT

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

As a corporate citizen, it is our responsibility to support international efforts towards sustainable development as we recognize the impact that our business activities can have on lives and livelihoods, particularly as our portfolio companies scale their products and services to meet growing social and environmental needs across the world.

We firmly believe that businesses can play an important role in the 2030 Agenda for Sustainable Development, which provides a universal blueprint to improve the lives of people across all countries. The Agenda, adopted by all UN Member States in 2015, comprises 17 SUN SDGs to be achieved by 2030 across social, environmental and economic domains.

We have identified eight SDGs that are relevant to our business and for which the impact of our internal operations and our portfolio companies can contribute toward the SDGs' targets and indicators. Alignment with the SDGs is not only the right thing to do. A fair, peaceful, ecological and prosperous world can generate tremendous opportunities for innovation and entrepreneurship.

Table 2: Contribution to Sustainable Development in Alignment with the UN SDGs

Relevant SDG	How Trendlines Supports These SDGs
Key to Business	
"End hunger, achieve food security and improved nutrition and promote sustainable agriculture"	Trendlines invents, invests in, and incubates innovation-based agricultural technologies. We endeavor to develop an agrifood tech portfolio of companies that contributes to the targets of SDG 2 (Zero Hunger) by improving access to safe and sufficient food, minimizing malnutrition, improving agricultural productivity, implementing climate-resilient practices, and maintaining genetic diversity.
"Ensure healthy lives and promote well-being for all at all ages"	We endeavor to develop a medtech portfolio that contributes to the targets of SDG 3 (Good Health and Well-Being) such as reducing mortality rates, combating communicable diseases, improving healthcare access, and strengthening the capacity to manage national and global health risks.
"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"	We deliver economic value to our shareholders, employees, and community. Through the establishment of and investment in new companies, we have created hundreds of new employment, innovation, and economic multiplier opportunities over the years.
"Strengthen the means of implementation and revitalize the global partnership for sustainable development"	We encourage and promote public-private partnerships through our participation in associations; continued expansion of our network of partnerships with industry players; exploration of new collaboration opportunities through joint initiatives, partnerships, or strategic agreements in other countries, including Israel, Singapore, China, Germany, and the US. We invest in technologies that address both developing and developed regions.
Other SDGs to Which We Contribute	
"Achieve gender equality and empower all women and girls"	We strive to create a culturally sensitive, fair, and inclusive workplace for our employees and portfolio companies without discrimination based on gender, race, color, religion, or age.
"Reduce inequality within and among countries"	We invest in companies, some of whose technologies are viable for deployment in developing countries, thus enabling more sustainable and cost-effective food production using fewer resources as well as improving access to better healthcare.
"Ensure sustainable consumption and production patterns"	We take measures to reduce the resource footprint of our operations and encourage waste reduction activities in our office. We also encourage our portfolio companies to consider adopting circular economy principles in their product and service development.
"Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions for all"	We are committed to uphold the highest standards of business ethics and responsible governance practices, including our management of portfolio companies. We endorse and support the rule of law in all the countries where we and our portfolio companies operate.

SUSTAINABILITY REPORT

PORTFOLIO COMPANIES' SUSTAINABILITY IMPACT

Many of our medtech and healthcare-related portfolio companies focus on developing medical devices and technologies that require less invasive practices and procedures. This ultimately improves patient outcomes, reduces healthcare costs, and contributes to more sustainable healthcare systems for hospitals, clinics, payers, practitioners, and consumers. Several of our companies contribute to moving healthcare from the clinic or hospital into the home, which can significantly reduce costs, reduce the load on the formal healthcare system, reduce carbon emissions by curbing trips to healthcare institutions, and contribute to the quality of life for patients.

In the agrifood tech sector, our portfolio companies' technologies and products contribute toward sustainable food systems by cutting down the amount of resources like water and land required for production, as well as preventing environmental damage by reducing carbon emissions, pesticides, or harmful toxins that pollute our water, air, and land.

Our intention is to progress with detailed mapping of portfolio companies to build a clear path of development of ESG goals for each company. The following section illustrates a detailed mapping for two portfolio companies, liberDi and BioFishency, in terms of their contribution to the UN SDGs. For BioFishency (www.biofishency.com), we also looked at the Climate Challenge Map, developed by PLANETech (www.planetech.org/challenge-areas), which is a comprehensive framework that presents the main challenges to climate change mitigation and adaptation across four main areas: Built Environment, Materials and Manufacturing, Land Use, and Nature.

liberDi (www.liberdi.com), one of our medtech portfolio companies, has developed a portable dialysis device and a medical supervision portal that, together, create the ultimate Digital Dialysis Clinic, allowing patients to choose anywhere, anytime PD (Peritoneal Dialysis) as a first modality.

liberDi — SDG GOALS

liberDi allows dialysis patients to continue with their daily routine, regardless of their location or proximity to local health care services.

liberDi greatly reduces the amount of medical waste and greenhouse gases in comparison to conventional dialysis treatments.

1 NO POVERTY — 75% of the people treated by dialysis are unemployed and might become poor, or at least suffer from a major decrease in income. liberDi allows almost anyone to keep on working as usual and maintain the same level of income.

3 GOOD HEALTH AND WELL-BEING — Treatment in conventional dialysis harms almost every aspect of quality of life. liberDi eliminates most of these harms and helps patients maintain the same level of QOL while also providing a higher level of medical care.

4 QUALITY EDUCATION — Children and students that are treated by dialysis and cannot attend school regularly suffer from serious educational and sociological aspects. With liberDi, they can attend school and get the same education level as their peers without any interruption.

8 DECENT WORK AND ECONOMIC GROWTH — Convenient dialysis forces most of the patients to either quit their jobs or move to less demanding and rewarding jobs. With liberDi, most patients can maintain their regular jobs.

10 REDUCED INEQUALITIES — Disable people suffer from inequality. With liberDi, one can get better dialysis treatment without becoming disabled. Anyone, anywhere in the world can enjoy liberDi regardless of locally available health care services.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — liberDi reduces the amount of GHG emission, thus help reduce global warming.

SUSTAINABILITY REPORT

BioFishency (www.biofishency.com) is one of our agtech companies working in the field of aquaculture. BioFishency has developed a disruptive water treatment system for Recirculated Aquaculture Systems (RAS).

SDG GOALS

BioFishency's satellite farm model allows almost everyone, including families in rural areas, to own and operate a micro fish farm that provides income year round.

Fish are among the healthiest and most sustainable sources of protein. Fish farming with BioFishency is efficient and can be operated in urban as well as in remote areas.

Fish is a source of healthy and rich protein. Fish grown in indoor farms are in most cases healthier, compared to fish raised in open aquaculture systems and in the ocean.

BioFishency's water treatment systems for aquaculture drastically increase the utilization of water, using approximately 3%-10% of the water used in open aquaculture systems.

BioFishency's satellite farm model can provide work for hundreds of people, mainly in rural areas.

BioFishency's e-Fish technology is the most advanced water treatment system for aquaculture in the world. It uses disruptive technology that shifts the water treatment process from bacteria-based filters to an industrialized system.

Indoor fish farming in urban areas increases the availability of fresh and healthy fish while decreasing the need for transportation.

Among farmed animals, fish have the smallest amount of GHG emission (Beef has 12 times higher emission).

Among farmed animals, fish have the smallest amount of GHG emission greenhouse gas emissions. (Emissions from beef are 12x higher.)

Efficient fish farming helps reduce wild-caught fish and hence saves the oceans and saving the oceans and marine life.

ESG MAPPING

Biofishency's sustainable aquaculture systems produce healthy fish while saving water, energy and greenhouse gasses emissions.

PLANETECH CLIMATE CHALLENGE

BioFishency's eFish technology increase the length of safe ground transportation for live seafood and replaces air transportation with either sea or land transportation that are have a significantly lower CO2 emission.

BioFishency's water treatment systems for aquaculture, drastically increase the utilization of water, using approximately 3-10% of the water used in open aquaculture systems.

BioFishency's eFish system provides an advanced water treatment technology while saving water, energy, space, and the use of additional 3rd party systems.

BioFishency's eFish technology Effective Indoor fish farms in urban areas in proximity to the end consumer reduce the pollution from

BioFishency's systems are among the most advanced water treatment systems for sustainable aquaculture, saving space, water and energy.

Recirculated aquaculture systems are the most sustainable fish-growing method. It reduces the number of fish caught in the sea and helps preserve 'Life under water'.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

OVERVIEW OF STAKEHOLDER ENGAGEMENT

The key for Trendlines to develop a successful portfolio is to identify and nurture innovative companies that can grow sustainably and achieve transformational outcomes in the agrifood and healthcare sectors. Accordingly, Trendlines has in place an innovation framework and process to help our portfolio companies advance their key technologies to maturity and market readiness. We recognize that this requires strategic partnerships and efforts from many internal and external stakeholders, including our employees, entrepreneurs, investors, government agencies, and alliances. Alignment of strategic priorities with our partners and successful execution of our strategies are critical to generating sustainable value in the long term.

The prolonged COVID-19 pandemic has accelerated the adoption of digital communication technologies all over the world. Hence our approach to stakeholder engagement involves a comprehensive communication strategy that leverages various digital media to foster inclusion for the broader community. We have intensified the use of digital platforms – including social media, online newsletters, website updates, and hosted virtual events – to engage all stakeholders and provide them a direct communication channel with Trendlines' leadership. We are glad to see enhanced participation rates in our engagement efforts.

INVESTORS

Trendlines remains focused on our investor communications program, recognizing the importance of keeping the investment community updated on full and timely disclosure of material information. We have also taken steps to actively engage our investors, leveraging digitalization trends to help them understand our business model as well as our portfolio companies' competitive edge and long-term value. We aim to maintain full transparency and compliance with all applicable legal and regulatory requirements. We endeavor to keep abreast of the latest market developments and benchmark ourselves against best practices in investor relations.

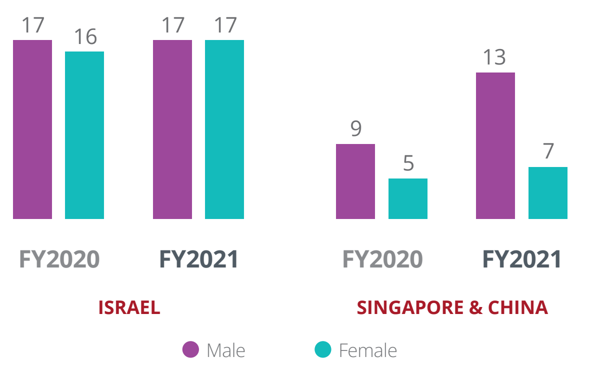
In addition to our half-yearly announcements in which we provide detailed financial statements, management discussions and analysis, presentation slides and press releases, Trendlines also uploads monthly updates and regularly refreshes the presentation slides to reflect the portfolio companies' most recent corporate developments. We continue to organize and participate in agrifood and medical technology industry events as speakers, panelists, and judges, sharing insights and expertise and establishing ourselves as thought leaders in our business sectors.

EMPLOYEES

We believe that our long-term success will depend on the contributions of our employees and their commitments to the corporate strategic priorities. In the past two years, defined by the pandemic and a widespread global economic slowdown, the management team and our employees have shown great resilience. We value our employees' commitment to the Company's goals and are determined to build a conducive workplace for all to enhance productivity and efficiency. We continue to prioritize engagement with our employees through multiple channels, including regular employee evaluations, staff and department meetings, and the Company's annual fun day event. This also ensures that we remain up to date with the priorities and concerns of our employees, and that our employees remain aligned with our strategic priorities.

Trendlines embraces the importance of diversity in our people and values the diverse collection of skills and experiences from our staff in Israel, Singapore, and China. We strive to create an inclusive and culturally sensitive working environment that provides equal opportunities to all employees regardless of race, ethnicity, language, religion, and gender. In 2021, we had 53 staff across our Israel, Singapore and China operations, an increase from our team of 48 in the previous year. This was in part due to our business expansions in Singapore and China, including Trendlines Medical Singapore, the new Singapore-based Trendlines Agrifood Innovation Centre, as well as new investments in Israel. While only two of our Israel-based staff and two CEOs of our 44 Israeli portfolio companies are from minority communities, we acknowledge that this is a lower percentage than we would like, and and we strive to improve this diversity indicator. Seven portfolio companies are led by women, which represents 13% of our total portfolio.

TABLE 3: BREAKDOWN OF EMPLOYEE DEMOGRAPHICS



PORTFOLIO COMPANIES

We ensure that all disclosures of material information for our portfolio companies are timely, complete, and accurate. We provide ongoing updates on their corporate development and progress to address concerns, including on risk management and compliance matters, through monthly and quarterly updates. In addition, members

SUSTAINABILITY REPORT

of Trendlines' management team sit on the Boards of all portfolio companies except those that are starting out and have not yet formed their Boards.

GOVERNMENT AND INDUSTRY

We frequently interact with political office holders, government officials, and regulators. Trendlines participates in working groups and consultation forums to highlight and address issues and challenges relevant to the investment and business landscape in which our Company and our portfolio companies operate.

We regularly engage with the Israel Innovation Authority to understand changes or updates to the Incubators Incentive Program through meetings and emails, quarterly financial reports, technical reports, final financial reports, budget tracking, and other reports/requests according to the companies' requirements.

In Singapore, with the support of an Enterprise Development Grant from government agency Enterprise Singapore (ESG), Trendlines Labs Singapore was established as an in-house innovation centre focused on inventing and developing medical solutions to meet critical unmet needs through strategic partnerships with corporate partners, healthcare institutions, universities, and to support the start-up ecosystem of Singapore.

Our Trendlines Medical Shanghai Innovation Centre was established in Shanghai's Putuo District with support of the local government. Our Shanghai-based staff support the business development efforts of our portfolio companies and identify additional opportunities for the Group.

Through our China-Israel Partnership, in December 2021, Trendlines Medical Changzhou signed a collaboration agreement for technology innovation and development in the field of intracorporeal anastomosis with Waston Medical, a large player in the medical device industry in China. An additional collaboration agreement was signed between Trendlines Innovation Labs and Shanghai Sanyou Medical Co. Ltd., a publicly traded company on the Shanghai Stock Exchange.

tmura
The Israeli Public Service Venture Fund

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 2021, one portfolio company granted options to Tmura, giving us a total of 52 portfolio companies that have granted options to Tmura. With the OrthoSpin exit, Tmura's total gains are US$113,000. from the exit.

We are actively involved in various industry affiliations and engaging organizations focused on promoting technological innovation. They include the following:

- Israel Innovation Authority (incubator license)
- PLANETech (presented earlier in this report)
- 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 (cooperation)
- GrowingIL, part of Israel Innovation Institute (cooperation)
- Ecommunity, a mission-driven corporation located at the Misgav Business Park, employs persons with disabilities to recycle and upcycle e-waste (collaboration)

- PresenTense, an Israel-based nonprofit that promotes an inclusive society, one where diverse communities are equally represented in the entrepreneurial ecosystem in Israel (collaboration)
- 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 (sponsorship and participation)

SUSTAINABILITY REPORT

LOCAL COMMUNITIES

Trendlines is committed to empower the local communities and enhance positive impacts through our investments or through various initiatives. We also believe in building operational resilience for the long-term benefit of our business and communities. Pervasive innovative and entrepreneurial cultures are important factors in the emergence of new technologies, and Trendlines is strongly supportive of the building of such cultures, extending insights and experiences to business groups interested in our model for developing incubator programs. During 2021, the Misgav local regional (where our Israel facilities are located) opened an innovation hub, Klika, to encourage entrepreneurial activities in the region. We have partnered with them on a number of activities; for example, lectures by portfolio company CEOs on topics of expertise.

Prior to the pandemic, we conducted frequent presentations to local and international groups as part of their entrepreneurship program and study trips. These included tours to our offices, which provided insights on commercializing technological innovations and how the Trendlines Group supports entrepreneurs and inventors. While these programs were largely halted in 2020 due to COVID-19 restrictions, we were able to host a small number of groups in the second half of 2021. In November 2021, we held a meet-up in our offices in cooperation with Klika, during which a few company CEOs gave short talks on their company journeys. We also hosted a number of government officials who were interested in hearing about our business activities.

In addition to hosting physical site visits, we conducted several professional webinars in 2021, focusing on agrifood and medical technology markets. These webinars were made available to the public, which allowed us to provide valuable insights and engage in discussions with hundreds of participants interested in investment, entrepreneurial and sustainability trends and opportunities. In March 2021, we held a webinar for medtech entrepreneurs, explaining the Trendlines' model of investment and support. In partnerships with other major players in the Israel agrifood sector, we held the AgriVest 2021 conference virtually, featuring world-class speakers and pitches from eight groundbreaking start-ups. Our agrifood incubator in Singapore held two demo days for start-ups in their accelerator programme. We also held a webinar for our portfolio company CEOs on the subject of using social media to promote their companies.

MATERIALITY ASSESSMENT

We conducted our first Materiality Assessment exercise in 2017, which was based on GRI principles, to determine the relevant sustainability topics for our business and stakeholders. Thereafter, we would review the topics annually, taking into consideration the external socioeconomic context, developments in the venture capital industry, and interactions with our stakeholders. We adopt a four-step process in our Materiality Assessment (see below).

1st Step

We do a broad scan to identify sustainability issues that are relevant to our business.

2nd Step

We prioritize the issues based on their relative importance to Trendlines and how they would impact the assessment and decisions of our stakeholders.

3rd Step

The shortlisted material issues are presented to the Board for validation and approval.

4th Step

Management tracks and reviews the ongoing progress in managing the material issues.

MANAGING THE IMPACT OF COVID-19

As the world continued to reel from the prolonged impact of the COVID-19 pandemic, the safety, well-being, and health of our staff, suppliers, and partners remained at the core of our strategy to deal with the pandemic. We remained vigilant and committed to safeguarding the health and safety of our stakeholders as vaccination rates went up across the countries where we operate and the global economy gradually reopened, albeit with some uncertainty as new variants of COVID-19 continued to emerge while government regulations and restrictions changed over time.

STAFF

We continued to extend extensive support to our employees in dealing with COVID-19. Despite the challenges COVID-19 posed to our operations this year, Trendlines did not cut any employees' salaries, nor were any employees let go or furloughed. Regular contact with employees who contracted the virus was maintained and care packages sent to their homes.

The Group constantly monitored the ever-changing COVID-19 situation globally to ensure that we remained in compliance with all government regulations in the countries where we operate – vaccination and testing requirements, work-from-home measures, maximum percentage of employees allowed within office premises, and other pandemic-related guidelines. For employees working on-site, we ensured that sufficient protective equipment and safety measures were in place to create a safe working environment. The senior management team made COVID-19-related decisions that were implemented by the Operations Department. Clear and regular communications regarding policies and requirements were sent to all employees to ensure clarity and reduce confusion about compliance.

We continued to monitor the changes in government regulations regarding maximum allowable workforce within office premises and ensured strict compliance with these regulations.

SUSTAINABILITY REPORT

INVESTORS AND SHAREHOLDERS

One of the major disruptions caused by the pandemic was the inability of Trendlines' management to travel and meet with investors face-to-face, which reduced the effectiveness of communication between the Group and its shareholders. Nonetheless, we pivoted – using digital platforms for constant and timely two-way flow of important information to our shareholders. We ensured that our digital channels remained open and accessible for investors to easily reach us with their queries and feedback.

In view of the pandemic situation, the AGM and SGM in 2021 were held virtually. In March, August, and November 2021, we also held virtual business update events to communicate the ongoing developments at Trendlines and ensured that our shareholders were well-informed.

PORTFOLIO COMPANIES AND SUPPLIERS

Our portfolio companies count on the experience of Trendlines now more than ever to navigate through these unprecedented times. To date, Trendlines has not experienced material constraints to our activities, in part due to our proactive mitigation strategies to avoid operational risks, as well as our efforts to manage the impact of the pandemic on various aspects of our business and the dealings with our portfolio companies.

We adopted a multipronged approach to counter and mitigate the impact of COVID-19 on our stakeholders. With regard to our portfolio companies, we regularly reviewed company budgets and financing needs to provide adequate resources wherever necessary. We also ensured appropriate support was extended to our suppliers, particularly the smaller companies that could face cashflow challenges. In line with our commitment to suppliers, we did not cancel any major purchases in 2021.

MANAGEMENT OF PORTFOLIO COMPANIES

As an active corporate investor and shareholder, Trendlines aims to influence our portfolio companies to act responsibly, implement sound governance and conduct their business in a responsible and ethical manner. We focus on material matters that have the most impact on portfolio companies' ability to create long-term value and ensure integration of risk management and compliance structures. We also look out for any red flags that could arise from technology, business, finance, or human resources developments. In the face of any issues or whenever necessitated, the Trendlines team is ready to offer prompt guidance on action plans to mitigate risks and tackle arising issues. For example, our CTO and our Trendlines Innovation Labs team often assist portfolio companies when they encounter technological challenges. We also invest time to recruit external chairs to head the board of directors of our portfolio companies.

To ensure that we are kept abreast of timely developments, we track the status of our portfolio companies very closely through monthly and quarterly meetings. We also recognize that fostering the growth of our portfolio companies in both their early and growth stages is a crucial component of our business model, and we do so by providing a range of services through our incubators in the areas of business development, technology development, marketing, communications, finance, and administration. We further supplement this by providing ongoing operational support as well as regular reviews of the companies' implementation of business plans, policies, and procedures. Other support areas include:

Support Areas

- Developing and refining the narrative for customers, investors, and partners
- Mentoring, especially related to setting and achieving technology goals, investment strategies, and market penetration
- Preparing business plans
- Undertaking activities to support start-ups in securing follow-on investments
- Providing access to our global network of venture/strategic partners and assistance with securing strategic partnerships
- Locating access to beta sites
- Providing corporate services support such as accounting and office space

That a high percentage of portfolio companies have successfully raised significant amounts of follow-on capital and continued their business operations beyond the incubation period bears testimony to the significant value we add to our portfolio companies. In FY2021, US$77 million were raised by 25 portfolio companies.

To support our portfolio companies and guide them through different stages of growth, we have established and instituted business continuity and contingency plans, which are shared with our companies to customize their own plans for operational responses to various business disruptions and implementing safety measures.

SUSTAINABILITY REPORT

ENSURING GOOD GOVERNANCE IN DEALING WITH PORTFOLIO COMPANIES

We adopt a comprehensive life cycle approach in ensuring good governance. This starts at the due diligence stage when we are funneling and assessing which companies to invest in, and it continues after we have invested in new portfolio companies.

Our due diligence process ensures accountability to investors who have placed their trust in us. Managing our portfolio responsibly helps us leverage the opportunities presented and mitigate risks in selecting the most suitable ideas and technologies for investment. As a responsible investor, we are careful to make the right investment decisions and monitor various investment risks based on these five criteria:

Five Criteria

1. We consider how the project or company addresses a broad market and meets a substantial unmet need through an integrated assessment of multiple variables (that includes and is not limited to market size, structure, trends, and dynamics; regulatory issues; existing solutions and competitors; time and cost to market; and sustainability impact).
2. We spend considerable time with entrepreneurs/inventors with whom we are reviewing investment opportunities to ensure that their interests and styles match with our hands-on approach to investment.
3. We closely examine the solution and technology for its uniqueness, supportive evidence that may lead to proof of concept, sustainable assets, and level of technological risk down the road.
4. We review the strength of the company's IP assets and strategy.
5. We evaluate the exit potential of the company.

We work toward a culture of open communication and engagement with our portfolio companies. Toward this goal, we track the following targets.

Table 4: Communication and Engagement Targets for Portfolio Companies

Focus Area	Target	2021 Performance
Valuation process applied to portfolio companies	All portfolio companies to go through the external valuation process at least once a year.	**Achieved** Companies are externally valued at a minimum annual basis based on their company status. In 2021, we achieved 100% of this target and seek to maintain this in the years ahead.
Updates received from portfolio companies	All portfolio companies (in their first two to three years) to meet monthly and report their progress on a quarterly basis.	**Achieved** In 2021, we achieved 100% 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. We held quarterly update meetings for portfolio companies to report on their progress to the Trendlines' team.
Updates from portfolio companies to their boards and shareholders	All portfolio companies to communicate on a regular basis (at least quarterly) with their boards and shareholders.	**Mostly achieved** Trendlines' representative on the companies' boards will remind the respective CEOs to ensure that such regular communications is carried out.

SUSTAINABILITY REPORT

BUSINESS ETHICS

Trendlines aims to act as a role model for all our portfolio companies by upholding the highest standards of ethics and integrity. There are several key corporate policies, reviewed by the Board on an annual basis, that promote a culture of honesty, integrity, and accountability.

Table 5: Corporate Policies

Type of Policies	Guidance Provided
Code of Business Conduct and Ethics Policy	The Company provides this Code to its employees to offer guidance in properly recognizing and resolving the legal and ethical issues they may encounter while conducting the business of the Company. Should an employee be confronted with a situation where further guidance is required, the matter should be discussed with a member of management or the Company's Audit Committee. No reports were received in 2021.
Whistleblower Policy	The Whistleblower Policy makes it clear that employees can report their concerns without fear of victimization, subsequent discrimination, or disadvantage. This Policy is intended to encourage and enable employees to raise serious concerns within the Company, rather than overlooking a problem or seeking a resolution of the problem outside the Company. This Policy applies to all employees and contractors working for the Company. It is also intended to provide a method for other stakeholders (e.g., suppliers, customers, and shareholders) to voice their concerns regarding the Company's business conduct. Any concerns raised are submitted to the Chairman of the Audit Committee. No reports were received in 2021.
Anti-Bribery and Anti-Corruption Policy	The Company complies with anti-corruption and anti-bribery legislation in all jurisdictions where it operates. Recognizing that local laws might be less restrictive, Trendlines has also set out principles in this Policy in respect of conduct in all jurisdictions of operations, even where compliance with this Policy prohibits conducts that may otherwise be permitted by local laws. This Policy includes statements on prohibition of bribery, acceptance or offer of gifts or any personal benefit or privilege of any kind with a value that could influence the judgment of the recipients. No reports were received in 2021.

These policies are communicated to all employees, members of the Board, and relevant third parties who have business dealings with the company, who are then expected to adhere to these policies. We also conduct mandatory annual training on these policies for our employees, who are then required to acknowledge their participation in these training sessions. Employees who are unable to attend the training are required to review the course material and acknowledge their understanding while new hires undergo similar training as part of their orientation. Internal and external audit frameworks are set in place to track the adequacy and effectiveness of our corporate governance processes, internal controls, and risk management. We also have a formalized risk management process in place, where risks, control measures, and follow-up actions are identified and monitored by Management, and reported to the Board for evaluation.

Table 6: Participation in Training

2021	Name of training session	% Participation
	Code of Business Conduct and Ethics Policy	100% participation

Please see the Corporate Governance Report in this Annual Report for detailed disclosure of our governance performance and risk management framework.

SUSTAINABILITY REPORT

Table 7: Targets for Business Ethics

Focus Area	Target	2021 Performance
Code of ethics training (including communication to and acknowledgment by employees)	100% of employees communicated to and signed declaration of understanding.	We continue to achieve 100% of the target, and we consciously ensure that all new employees who join the Group, regardless of location, understand and sign the declaration.
Reported incidents of corruption or bribery	Zero incidents.	We strive to always maintain our record of zero cases of corruption.

REGULATORY COMPLIANCE

Good corporate governance and strict compliance with laws and regulations of the jurisdictions in which we operate are at the heart of Trendlines' corporate culture. Regulatory compliance is not only a legal requirement, but also a critical duty we must fulfill to maintain accountability to our stakeholders, and to uphold our reputation as a trusted and respected investor to our portfolio companies and stakeholders.

Our internal audits to review compliance matters and assess the effectiveness of the Group's internal controls are carried out on a regular and ongoing basis. In 2021, audits were performed in two areas: Attendance Reporting and Transactions with Interested Parties. In 2021, there were no significant findings of concern reported based on the internal audit conducted. Findings of areas of improvement and examination were also considered and implemented.

As a company trading on the Catalist Board of the SGX, Trendlines also has a Continuing Sponsor that, among other things, reviews all documents we release to shareholders or to the market (such as press releases, announcements, resolutions contained in notices of meetings, circulars, and corporate actions) prior to release on SGXNET. This acts as another control measure to ensure Trendlines is in compliance with the Catalist Rules.

Table 8: Targets for Regulatory Compliance

Focus Area	Target	2021 Performance
Reported incidents of noncompliance relating to laws and regulations, including environmental compliance, socioeconomic compliance, and marketing communications	Zero	**Partly Achieved** We have reviewed our processes and made necessary corrections to ensure timely reporting.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
General Disclosures		
Organizational Profile		
102-1	Name of the organization	3
102-2	Activities, brands, products, and services	6-7
102-3	Location of headquarters	50
102-4	Location of operations	50
102-5	Ownership and legal form	3-5
102-6	Markets served	6-7
102-7	Scale of the organization	6-7
102-8	Information on employees and other workers	32
102-9	Supply chain	NA as Trendlines engages with a minimal number of suppliers.
102-10	Significant changes to the organization and its supply chain	No significant changes in reporting year.
102-11	Precautionary principle or approach	Trendlines takes a risk-based management approach.
102-12	External initiatives	None
102-13	Membership of associations	33
Strategy		
102-14	Statement from senior decision-maker	8-10
Ethic and Integrity		
102-16	Values, principles, standards, and norms of behavior	37 , 51
Governance		
102-18	Governance structure	27
Stakeholder Engagement		
102-40	List of stakeholder groups	32
102-41	Collective bargaining agreements	No employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	32
102-43	Approach to stakeholder engagement	23 , 32
102-44	Key topics and concerns raised	23 , 32
Reporting Practice		
102-45	Entities included in the consolidated financial statements	
102-46	Defining report content and topic boundaries	34
102-47	List of material topics	34

SUSTAINABILITY REPORT

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
General Disclosures		
Reporting Practice		
102-48	Restatement of information	Nil
102-49	Changes in reporting	Nil
102-50	Reporting period	1 Jan 2021 – 31 Dec 2021
102-51	Date of most recent report	FY 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Eli@trendlines.com
102-54	Claims of reporting in accordance with the GRI Standards	26
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Managing The Impact of COVID-19		
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Sound Corporate Governance and Business Ethics		
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205-2	Communication and training about anti-corruption policies and procedures	37-38
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Regulatory Compliance		
103-1	Explanation of the material topic and its boundary	38
103-2	The management approach and its components	38
103-3	Evaluation of the management approach	38
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Management of Portfolio Companies		
103-1	Explanation of the material topic and its boundary	30
103-2	The management approach and its components	30
103-3	Evaluation of the management approach	36

THERE IS NO PLANET B

Unprecedented extreme weather incidents have demonstrated that climate change is here, a threat to us all and one that must be addressed now.

Agriculture is threatened by climate change, but is also uniquely positioned to fight it. In the last decade we have proven that using creative thinking, leveraging technologies from other sectors, and changing a paradigm, it is possible to improve agricultural practices: We can manage resources using groundbreaking technologies that do less harm to the environment and contribute to the global carbon balance.

THE ORTHOSPIN JOURNEY FROM IDEATION TO EXIT

2014
Founded and invested

2014-2016
Device technology change

2017
Generation 1, FIH

2018
Generation 1, Clinical study

2018
US$3 million raise

2019
Generation 1, FDA clearance

2020
US$5 million raise

2020
Completed 30 cases

2020
Generation 2, initial trials

2021
Generation 2, FDA clearance

2021
EXIT

OrthoSpin

Trendlines was OrthoSpin's founding investor and participated in additional financings for the Company. We are extremely proud of all that OrthoSpin has achieved, culminating in its acquisition by a world leader in healthcare. The OrthoSpin success story is part of our mission of investing to improve the human condition.

Acquired by:

DePuy Synthes
THE ORTHOPAEDICS COMPANY OF Johnson & Johnson

Trendlines investment: US$1.3 million

Trendlines return: US$15.8 million

IRR: 165%

BOARD OF DIRECTORS

TODD DOLLINGER

CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

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 on 17 June 2020 in accordance with the Company's Articles of Association. He serves as the Chair of Trendlines Medical Singapore, Trendlines Medical Innovation Center Shanghai, and Trendlines Labs Changzhou. As well, Todd chairs the investment committees of Trendlines Investments Israel (formerly Trendlines Incubators Israel), our Singapore-based Trendlines Agrifood Innovation Centre, and the Trendlines Agrifood Fund. Additionally, Todd is a director and chairs several Trendlines' portfolio companies. He also serves as a board member of the nonprofit Davos-based AO Foundation's Technology Board which, inter alia, is responsible for allocating Development Incubator funds.

Todd founded The Trendlines Group with Steve Rhodes in 2007 and shares the positions of Chair and CEO of Trendlines with Steve.

In 1991, Todd joined the marketing department of Israeli medical device start-up SRD Medical Ltd. ("SRD") and went on to become SRD's CEO. It was at SRD that Todd and Steve met. In 1993, Todd and Steve founded Trendlines International Ltd. They merged the principal consulting activities of Trendlines International Ltd. into The Trendlines Group in 2008.

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 have raised funds around the world for Trendlines, its venture funds, and portfolio companies. They have exited portfolio companies to multinational corporations; taken portfolio companies public; and have expanded the Group's activities internationally, including Trendlines' activities in Singapore and China.

Todd brings decades of entrepreneurial experience to Trendlines.

STEVE RHODES

CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

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 accordance with the Company's Articles of Association. He serves as the Chair of Trendlines Incubators Israel, as Investment Committee Chair of Trendlines Medical Singapore, as Chair of the Trendlines Agrifood Fund and of AFIC, based in Singapore. Additionally, Steve is a director and chairs several Trendlines' portfolio companies.

Steve founded The Trendlines Group with Todd Dollinger in 2007 and shares the positions of Chair and CEO of Trendlines with Todd. Steve brings decades of business, finance, and banking experience to Trendlines.

In 1988, Steve joined SRD Medical. After serving as its CFO, he became its VP Sales and Marketing. It was at SRD that Steve met Todd. In 1993, Todd and Steve founded Trendlines International Ltd. Together they founded The Trendlines Group in 2007 and merged the principal consulting activities of Trendlines International Ltd. into the Group the following year.

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 have raised funds around the world for Trendlines, its venture funds, and portfolio companies. They have exited portfolio companies to multinational corporations; taken portfolio companies public; and have expanded the Group's activities internationally, including substantial expansion of Trendlines' activities in Singapore and China.

Steve received his MBA from the University of Chicago and a BA from Harvard University. He is a Certified Public Accountant in the State of Illinois.

BOARD OF DIRECTORS

ZEEV BRONFELD

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. He is a Non- Executive Director.

Zeev is currently the CEO of M.B.R.T. Development and Investment Ltd. He has significant experience in the management and building of medical device and biotechnology companies as well as strategy management in public companies. He co-founded Bio-Cell Ltd., an Israeli publicly traded holding company, at the time specializing in biotechnology companies, and was its director and CEO until 25 December 2014 and 11 October 2015, respectively. Zeev currently serves as a director of Electreon Wireless Ltd. (formerly, Biomedix Incubator Ltd.). He is also a director of several privately held companies, most of which are involved in the life sciences, such as Contipi Medical Ltd. and Enzymocore Ltd. (formerly TransBiodiesel Ltd). Zeev serves as Chair of Protalix Ltd.

He received his BSc in economics from the Hebrew University of Jerusalem.

ELKA NIR

LEAD INDEPENDENT DIRECTOR AND EXTERNAL DIRECTOR

Elka Nir was appointed as our 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. In addition, she is the CEO of Carmel Ltd. (the economic corporation of Haifa University, Israel), where she is responsible for, among other things, leading commercial and business activities and where she founded and serves as the CEO of Carmel Innovations Ltd., a microfund that invests in projects from Haifa University. She holds 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.

BOARD OF DIRECTORS

PROFESSOR STEPHEN HASLETT

INDEPENDENT DIRECTOR

Professor Steve Haslett was appointed as our Director on 15 October 2015 and will not be seeking re-election as a Director of the Group.

Professor Haslett provides consultancy services in business development and commercialization through Silver Fox Pte Ltd., a company he founded. He has more than 40 years of experience in the IT business, and has held executive positions at Hewlett Packard, Dell Computer, and various technology start-ups where he assisted in the commercialization and globalization of their technologies. He is a professor of entrepreneurship at INSEAD and at IESE, where he teaches postgraduate and executive courses on, among other things, corporate entrepreneurship, business building in Silicon Valley, private equity, venture capital, and computer-based business simulations.

He holds an MSc and BSc (Hons), both in aeronautical engineering, from Imperial College, London, and a Diploma of Imperial College from the University of London. He is also an associate of the City and Guilds Institute, London, and a member of the Singapore Institute of Directors.

PROFESSOR HANG CHANG CHIEH, PHD

INDEPENDENT DIRECTOR AND EXTERNAL DIRECTOR

Professor Hang Chang Chieh was appointed as our 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. He is an Independent Director.

Professor Hang is currently the executive director of the Institute for Engineering Leadership at the National University of Singapore ("NUS"), a position he has served in since its founding in 2011.

Professor Hang worked as a computer and systems technologist in the Shell Eastern Petroleum Company (Singapore) and the Shell International Petroleum Company (The Netherlands) from 1974 to 1977 before joining NUS. Professor Hang served in various positions in NUS, including the Vice-Dean of Engineering, Head of the Department of Electrical Engineering, and Deputy Vice-Chancellor (Research and Business Ventures). Professor Hang was seconded to the Agency for Science, Technology and Research ("a*STAR") and acted as A*STAR's Executive Deputy Chair. Upon completion of the secondment to A*STAR, Professor Hang returned to NUS in January 2004 as the Founding Director of the Centre for Management of Science and Technology, Faculty of Engineering. He served as the Founding Head, Division of Engineering & Technology Management, Faculty of Engineering, NUS, from 2007 to 2016.

Professor Hang has served as a board member of several public organizations, including Founding Deputy Chair of Singapore's National Science and Technology Board, Founding Chair of the Intellectual Property Office of Singapore, and Founding Chair of the IP Academy of Singapore.

Professor Hang received his PhD in control engineering from the University of Warwick and a BEng (Hons) in electrical engineering from NUS.

BOARD OF DIRECTORS

BOON ANN SIN

INDEPENDENT DIRECTOR

Boon Ann Sin was appointed as an Independent Director on 22 June 2020.

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 area 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.

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)**
David Todd Dollinger	None	None
Stephen Louis Rhodes	None	None
Zeev Bronfeld	• Electreon Wireless Ltd. (formerly Biomedix Incubator Ltd.) (Director) • Protalix BioTherapeutics, Inc. (Chair)	• D.N.A. Biomedical Solutions Ltd. (Chair) • Entera Bio (Director) • Hadasit Bio-Holdings Ltd. (Independent Director)
Elka Nir	Chakratec Ltd. (Independent Director)	
Prof. Stephen Haslett	None	None
Prof. Hang Chang Chieh	None	None
Boon Ann Sin	• CSE Global Limited (Independent Director) • OUE Limited (Lead Independent Director) • Rex International Holding Limited (Lead Independent Director) • HRnetGroup 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)	Datapulse Technology Limited (Independent Director)

SENIOR MANAGEMENT

TODD DOLLINGER

CEO AND CHAIR OF THE BOARD

See Board of Directors.

STEVE RHODES

CEO AND CHAIR OF THE BOARD

See Board of Directors.

BARAK SINGER

CEO TRENDLINES INCUBATORS ISRAEL

Barak Singer has over 20 years of experience in management, business development, investment banking, and venture capital, including as VP Business Development of Trendlines Medical from December 2016 until February 2019, when he was appointed CEO of Trendlines Investments Israel (formerly Trendlines Incubators Israel).

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.

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. 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.

A plant geneticist, Nitza brings more than 25 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

NIR GOLDENBERG

CEO TRENDLINES LABS

Nir Goldenberg brings extensive experience in innovation, business development, sales, and marketing in the medical device sector.

Prior to his appointment as CEO, Nir served as Trendlines Labs' VP Business Development, where he oversaw the business development activities of the in-house innovation center, which evaluates critical unmet clinical needs, invents technological solutions, and provides proof of concept and program risk mitigation prior to taking product concepts through development and manufacturing.

He was previously the Director of Commercial Development EU at INSIGHTEC Ltd., a global MR-guided focused ultrasound surgery company.

Nir holds a BSc in engineering from La Sapienza University of Rome.

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.

HAIM BROSH

CHIEF FINANCIAL OFFICER, JOINT COMPANY SECRETARY & COMPLIANCE OFFICER

Haim Brosh has more than 20 years of experience in senior- and executive-level accounting and management positions at public and private companies.

Prior to his appointment as CFO in 2018, Haim served as Trendlines' controller for four years.

Previously, at ACP Ltd., an industrial company manufacturing and distributing air-conditioning products, he served as CEO and CFO. Haim served as CFO of publicly traded Elul Tamarynd Ltd. for two years 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.

CORPORATE INFORMATION

DIRECTORS

David Todd Dollinger
Chair and CEO

Stephen Louis Rhodes
Chair and CEO

Zeev Bronfeld
Non-Independent Non-Executive Director

Elka Nir
External Director and Lead Independent Director

Prof. Stephen Philip Haslett
Independent Director

Prof. Hang Chang Chieh
External Director and Independent Director

Boon Ann Sin
Independent Director

BOARD COMMITTEES

AUDIT COMMITTEE

Elka Nir, Chair
Prof. Hang Chang Chieh
Prof. Stephen Philip Haslett
Boon Ann Sin

NOMINATING COMMITTEE

Prof. Stephen Philip Haslett, Chair
Prof. Hang Chang Chieh
Elka Nir
Stephen Louis Rhodes
Boon Ann Sin

REMUNERATION COMMITTEE

Elka Nir, Chair
Prof. Hang Chang Chieh
Prof. Stephen Philip Haslett

JOINT COMPANY SECRETARIES

Chester Leong
Haim Brosh

REGISTERED OFFICE

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SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay, #10-00 Income at Raffles
Singapore 049318

AUDITOR

Kost Forer Gabbay & Kasierer
A Member of Ernst & Young Global
144 Menachem Begin Road, Building A
Tel Aviv 6492102, Israel
Audit Partner: Sharon Zalewski (appointed in 2019)

SHARE REGISTRAR

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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

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 implemented the Code of Corporate Governance and the accompanying Practice Guidance (the "**2018 Code**"), subject however to compliance with the 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 2021 (the "**FY2021**"), with specific reference made to the principles and provisions of the 2018 Code issued by the Monetary Authority of Singapore on 6 August 2018 and the accompanying practice guidance which was issued on 6 August 2018 (the "**Practice Guidance**"). The Company has complied with the principles and provisions as set out in the 2018 Code and the Practice Guidance, where applicable. Appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below where there are deviations from the 2018 Code and/or the Practice Guidance.

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.
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, 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 with the Directors in each Board or Committee meeting 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 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 two Executive Directors and five Non-Executive Directors, out of which four are Independent Directors. The Directors on the Board have the appropriate core competencies and diversity of experience to enable them, in their collective wisdom, to contribute effectively to the Group.

CORPORATE GOVERNANCE REPORT

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

Name of Director	Designation
Mr. David Todd Dollinger	Chief Executive Officer and Chair of the Board*
Mr. Stephen Louis Rhodes	Chief Executive Officer and Chair of the Board*
Mr. Zeev Bronfeld	Non-Executive Director*
Ms. Elka Nir	External Director (Lead Independent Director)
Prof. Stephen Philip Haslett	Independent Director
Prof. Hang Chang Chieh	External Director (Independent Director)
Mr. Sin Boon Ann	Independent Director

* As at 9 February 2022, Mr. Zeev Bronfeld, Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes holdings are stated in page 159 of statistics of shareholdings

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.
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;
- 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 trainings as prescribed by the SGX-ST to acquire knowledge on the roles and responsibilities of a director of a listed issuer. 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 any 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

CORPORATE GOVERNANCE REPORT

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 Chairs 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.

All Board members attended a Board training, Refresh on Trendlines accounting standards on 11 August 2021.

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 provide that the Company's business and affairs are managed under the direction and oversight of the Board, which may exercise all powers and may take all actions that are not specifically granted to the Shareholders or to any other organ of the Company. The Board determines the Company's policy and supervises the performance of the Chief Executive Officers' (the "**CEOs**") duties and actions 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 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(s);
- 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 effect 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.

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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 of 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 "**Board Committees**".

The compositions of the Board Committees are as follows:

	AC	NC	RC
Chairperson	Ms. Elka Nir	Prof. Stephen Philip Haslett	Ms. Elka Nir
Member	Prof. Stephen Philip Haslett	Ms. Elka Nir	Prof. Stephen Philip Haslett
Member	Prof. Hang Chang Chieh	Prof. Hang Chang Chieh	Prof. Hang Chang Chieh
Member	Mr. Sin Boon Ann	Mr. Stephen Louis Rhodes	–
Member	–	Mr. Sin Boon Ann	–

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 submit such evaluation, including any recommendations for change, to the Board for consideration, review, discussion and approval. The Chairman 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 financial 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 in writing of the Board 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, and each of 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

CORPORATE GOVERNANCE REPORT

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. Dates of Board, Board Committee and AGM are scheduled 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 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.

During FY2021, there were no material management or Board changes in the Company. Consequently, there were three NC meetings during FY2021.

The attendances of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings held during FY2021 are as follows:

Number of meetings held (*)	Board	AC	NC	RC
	11	8	3	5
Name of Director	**Number of meetings attended**			
Mr. David Todd Dollinger	11	–	–	–
Mr. Stephen Louis Rhodes	11	–	3	–
Mr. Zeev Bronfeld	11	–	–	–
Ms. Elka Nir	11	8	3	5
Prof. Stephen Philip Haslett	11	8	3	5
Prof. Hang Chang Chieh	11	8	3	5
Mr. Sin Boon Ann	11	8	3	–

Notes:

(*) Not including written resolutions.

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 other board representations, and other 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 Directors serve on multiple boards, the NC has determined that each Director should hold not more than 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 and his high participation rate in the meetings of the company, his legal and business experience, the NC and the Board have determined that despite Mr Sin Boon Ann's directorship in 7 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 of the Directors of the Company are set out in the Board of Directors chapter of this Report (page 43). The NC has

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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.
In order 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.

Prior to each meeting, members of the Board and Board Committees are provided with the notice and agenda of the meeting and documentation containing background or explanatory information relating to the matters brought before the relevant meeting, 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. 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. As such, management endeavors to circulate information for the Board and Board Committees meetings at least 3 days prior to the meetings to allow sufficient time for the Directors' review.

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 (as applicable) after the respective meetings for their 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 (Messrs. Kost Forer Gabbay & Kasierer ("EY Israel"), other independent professional advisors and the joint Company Secretaries namely, Mr. Haim Brosh, the Company's Israeli Secretary, as well as the Company's Singaporean Secretary, Mr. Leong Chang Hong, who was appointed on 8 April 2021 in place of Ms Rachel Ooi Kai Yin (collectively, the "Company Secretaries"), via telephone, e-mails and meetings. Any additional materials or information requested by the Directors to make informed decisions 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 with respect to 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 Chairs of the Board and CEOs, 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.

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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 CEOs.

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 FY2021.

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 constitute 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 FY2021, 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. Except for Mr Sin Boon Ann, the remaining three Independent Directors were first appointed to the Board in October 2015. Mr Sin Boon Ann was appointed to the Board in June 2020.

The NC has reviewed and has identified each of the Independent Directors to be independent. As majority of the Board (four out of the seven Directors) is currently made up of 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 Board has reviewed and confirmed the independence of the Independent Directors. The Independent Directors have also confirmed their independence by providing the Company with written declarations in accordance with the Israeli Companies Law and the 2018 Code.

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: Independent directors to make up a majority of the Board where Chair is not independent and non-executive directors make up majority of the Board.
As the Company's CEOs also serve as Chairs of the Board (please refer to Principle 3 in this Corporate Governance Report for further information on this matter), in line with Provision 2.2 of the 2018 Code, majority of the current Board composition is made up of Independent Directors (i.e. four out of seven Directors) during FY2021. One of the independent directors of the Company, Professor Stephen Philip Haslett (refer to page 56 for further details) will not be seeking re-election at the coming AGM and he will retire as a director at the conclusion of the AGM. Following Professor Stephen Philip Haslett's cessation as a director of the Company, the Company will be appointing another independent director to comply with the Provision 2.2 of the 2018 Code.

In line with Provision 2.3 of the 2018 Code, the majority of the current Board composition is made up of Non-Executive Directors (i.e. five out of seven Directors) during FY2021.

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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.

Provision 2.4 of the 2018 Code: The Board and Board Committees are of an appropriate size.
Under the Articles, the Board must consist of at least five and not more than ten 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, Professor Stephen Philip Haslett, Professor Hang Chang Chieh, Mr. Zeev Bronfeld and Mr. Sin Boon Ann are persons from different professions and 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, four out of the five Non- Executive Directors also sit on the various Board Committees and provide constructive inputs 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' current size (as detailed above) is an appropriate size for 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.
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. The Board has determined that at least two of the Directors must possess accounting and financial expertise as defined under Israeli Companies Law. In this regard, the Board has determined that Mr. Zeev Bronfeld, Mr. Stephen Louis Rhodes and Ms. Elka Nir each possesses "accounting and financial expertise" as such term is defined under the Israeli Companies Law.

Under Israeli Companies Law, a public company must appoint at least one director of each gender. The Board has one female member out of the seven members.

Notwithstanding that there is no formal Board diversity policy in place, 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 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's current composition includes members with a diversity of gender and skills, including accounting and finance expertise, business acumen, management experience, industry knowledge, strategic planning experience and familiarity with regulatory requirements and knowledge of risk management. 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 groupthink 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 and knowledge to lead and govern the Group effectively.

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Notwithstanding that there is no formal Board professional development policy in place, 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 Chairmen and Chief Executive Officers 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 in pages 43 to 47 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 FY2021. 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 FY2021, the Non-Executive Directors met on 21 December 2021 without the presence of KMPs. The Chair of such meeting provides feedback to the Board and/or its Chair as appropriate.

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 of the 2018 Code: Chair and Chief Executive Officer are separate persons.
Under the Israeli Companies Law and its regulations, a company's CEO may serve as the chair of the board of directors of such company, subject to the required approvals, including shareholders' approval with a special majority to be renewed following a period of 5 years as of the date on which the Company's shares were first offered to the public and thereafter every 3 years, as required under the Israeli Companies Law and its regulations.

The NC (with Mr. Stephen Louis Rhodes abstaining from all discussions and decisions concerning his own appointment) has reviewed and determined that it is in the best interests of the Company for the positions of Chairs of the Board and CEOs to be held by the same persons for the following reasons:

CORPORATE GOVERNANCE REPORT

- The existing dual CEOs and Chairs management structure has worked well for the Company. Messrs. David Todd Dollinger and Stephen Louis Rhodes have held the same designations of Chairs since the co-founding of the Company in 2007; Mr. Stephen Louis Rhodes was named Co-CEO in July 2010. Since then, Messrs. David Todd Dollinger and Stephen Louis Rhodes have been the key personnel whose contributions and expertise in their capacities as CEOs and Chairs have largely resulted in the success of the Company to-date, with a reputation as the operators of one of the best government-franchised incubators in Israel, and a strong track record of developing and executing exit strategies for its portfolio companies. Moving forward, it is expected that the continued growth and development of the Company will be largely dependent on the preservation of the existing management structure which has served the Company well.

- The Company is not aware of any objections or complaints raised by any of the existing Shareholders in relation to the dual roles of Messrs. David Todd Dollinger and Stephen Louis Rhodes since the founding of the Company.

- The Company believes that the concept of having two CEOs and Chairs is practical both based on the Company's experience of over than 10 years and because there are other listed companies which also have a similar dual role management structure.

Provision 3.2 of the 2018 Code: Chair's and CEO's role.

Practice Guidance 1 of the 2018 Code: Scope of Director Duties.
Mr. David Todd Dollinger is responsible for the overall management of our Group's business operations (particularly, in the areas of budget and operations) and is also primarily responsible for business development in China.

Mr. Stephen Louis Rhodes is responsible for the overall management of our Group's business operations (particularly, in the areas of finance and compliance reporting functions) and is also primarily responsible for the establishment of strategic partnerships in Europe and the United States.

Notwithstanding that the Chairs of the Board are also the CEOs of the Company, the Board is satisfied that there is sufficient transparency and accountability in view of the strong independent element on the Board.

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

Practice Guidance 2: Role of the Lead Independent Director
In view that the CEOs, Messrs. David Todd Dollinger and Stephen Louis Rhodes, also serve as Chairs of the Board as detailed above, and thereby are not considered as Independent Directors, the Company is required under the 2018 Code to designate an Independent Director to serve as Lead Independent Director. The Company has appointed Ms. Elka Nir to serve as its Lead Independent Director.

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 Chairs 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 4.2 of the 2018 Code: The NC comprises at least three directors, majority of whom, are independent
The NC comprises five Directors, a majority of whom are Independent Directors, including the NC Chair. The Lead Independent Director is a member of the NC. The names and roles of the members of the NC are set out on page 56 of this Annual Report.

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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 purposes 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;
- 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 4.3 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 and size) 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.

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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, 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 Professor Stephen Philip Haslett and Mr. Sin Boon Ann. Professor Stephen Philip Haslett's term of office will expire at the coming AGM to be held in April 2022. Mr. Sin Boon Ann was first elected on 17 June 2020 and his term of office is supposed to expire at the Company's next AGM to be held in 2023 when his successor will be deemed as qualified and elected or he will be re-elected.

ii. The Group II Directors are Messrs. David Todd Dollinger and Zeev Bronfeld, who were re-elected at the Company's AGM held in June 2020 and their term of office will expire at the next AGM to be held in 2023 and when their successor will be elected and qualified or they will be re-elected;

iii. The Group III Director is Mr. Stephen Louis Rhodes, who was re-elected at the Company's AGM held in April 2021 and his term of office will expire at the AGM to be held in 2024 and when his successor will be elected and qualified or he will be re-elected.

The Board currently comprises seven members, a majority of which, namely, Ms. Elka Nir, Professor Stephen Philip Haslett, Professor Hang Chang Chieh and Mr. Sin Boon Ann, are considered to be 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 (with Ms. Elka Nir and Professor Hang Chang Chieh abstaining from all discussions and decisions concerning their respective appointments) 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 Professor. Hang Chang Chieh, both Independent Directors of the Company, to serve as External Directors of the Company at the 2016 SGM and their directorship was extended at the SGM held on 13 February 2019 following the recommendation of the NC (with Ms. Elka Nir and Professor. Hang Chang Chieh abstaining from all discussions and decisions concerning their respective appointments) and the Board.

Since the current term of office of both Ms. Elka Nir and Professor Hang Chang Chieh has expired on 24 February 2022, following the recommendation of the NC (with Ms. Elka Nir and Professor Hang Chang Chieh abstaining from all discussions and decisions concerning their respective appointments) and the Board, at the last SGM held on 4 March 2022, the Board proposed and its Shareholders had approved by way of a special majority (as required under Israeli Companies Law) the re-appointment of Ms. Elka Nir and Professor Hang Chang Chieh as the Company's External Directors in accordance with the Israeli Companies Law for an additional period of three years commencing from 24 February 2022 to 24 February 2025.

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As mentioned in the paragraphs above, one of the Group I Directors, Professor Stephen Philip Haslett has informed the NC and the Board that he will not be seeking re-election at the Company's upcoming AGM to be held in April 2022. Accordingly, Professor Stephen Philip Haslett will retire as director of the Company at the conclusion of the AGM and he will also cease as the Chairman of the NC and a member of the AC and RC.

The re-appointment of the other Group I Director, Mr. Sin Boon Ann as Director of the Company for a term of office that shall expire at the AGM of the Company to be held in 2023.

Accordingly, there are no directors due for retirement and re-election pursuant to Articles 40(c) and (d) of the Company's Articles of Association at the Company's coming AGM to be held in April 2022.

Provision 4.4 of the 2018 Code: NC to determine director independence annually.
The NC is also in charged with 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. The Board concurred with the NC's view that the four 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 of the Directors, including their academic and professional qualifications, appointment dates and directorships held in other listed companies for the past three years and principle commitments, are set out on page 47 of this Report.

Information on the Directors' shareholding in the Company and its related corporations are set out on page 88 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 which involve significant time commitment;

- 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, 6 listed company 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 on 7 other listed companies board representations, as previously mentioned above, 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 FY2021.

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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**"). During December 2021 the Board reviewed and updated the Succession Plan for the Chair and the CEO, as well as key management personnel ("**KMP**").

While reviewing the Board have in mind the Company's strategic priorities and the factors affecting the long-term success of the Company.
The succession plan focuses on providing immediate as well as long-term solutions for the Company's continued smooth 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 and for assessing the contribution by the Chairs 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 formal assessment of the contribution by the Chairs 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 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:

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

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For FY2021, 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 completed the separate evaluation questionnaires meant for the Board and the respective Board Committees on the performance and effectiveness of the Board and 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;

3. The NC discussed the reports and concluded the performance results during the NC meeting; and

4. The results of the evaluation were reviewed by the NC and the Board with proposed follow-up actions planned and/or taken for areas requiring improvements.

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 FY2021.

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 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 (or Chairs) 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 Directors, all of whom are Independent Directors, including the RC Chair. The names of the members of the RC are set out in page 56 of this Report.

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

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 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;

CORPORATE GOVERNANCE REPORT

- 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.

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- 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.

For further information regarding the 2021 MBO Plan, please refer to the Company's circular to the Shareholders dated 16 March 2021.

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 (EY Israel) 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. The RC has engaged EY Israel as an external remuneration consultant in FY2021 for the purpose of evaluating the CEOs compensation package. The external remuneration consultant does not have any relationships with the Company that may affect its independence and objectivity

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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 CEOs 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 in February 2021 approved the 2021 MBO Plan for its KMP, and at the SGM held on 22 April 2021, obtained Shareholders' approval (by the special majority) for the adoption of such 2021 MBO Plan for the Company's CEOs. For further information regarding the 2021 MBO Plan, please refer to the Company's circular to the Shareholders dated 16 March 2021.

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Under the 2021 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 (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 5 KMPs met the bonus payment threshold for the 2021 MBO and the RC and Board have approved in their meetings held on 22 February 2022 the bonus payment of the 2021 MBO that was paid in the February salary with payment on 1 March 2022 for the total amount of US$243,645. The Company CEOs met the bonus payment threshold for the 2021 MBO and the RC and Board have approved in their meetings held on 22 February 2022 the bonus payment of the 2021 MBO, which will be paid only after AGM approval on the April 2022 meeting.

In addition, the Compensation Policy provides for payment of an Exit Bonus (as defined in the Compensation Policy) in connection with an Exit Event (as defined in the Compensation Policy) relative to the Company's portfolio companies. The RC and Board have approved in their meetings held on 21 December 2021 the payment of exit bonuses to the Company's management under the 2021 Bonus Plan.

Exit Bonus[1]		
Name (Executive Management Team)	**Percentage**	**Amount (USD)**
Todd Dollinger	14%	128,000
Steve Rhodes	14%	128,000
Nir Goldenberg	10%	90,000
Haim Brosh	13%	115,000
Barak Singer	13%	115,000
Nitza Kardish	10%	90,000
Eric Loh	5%	50,000
Other employees	22%	198,800
Total	**Approximately 5.7% of exit proceeds**	**915,200**

(1) Based on total proceeds to Trendlines- USD$15,897,513

On 21 December 2021, the Company's RC and Board approved the Management By Objectives plan for the officers of the Company for FY2022 (the "**2022 MBO Plan**") (with Messrs. David Todd Dollinger and Stephen Louis Rhodes abstaining from making any recommendation in respect of such resolution), which, with respect to the Company's CEOs, will be brought before the Company's shareholders for further approval, at the 2022 AGM. For further information regarding the 2022 MBO Plan, please refer to the Company's circular to the Shareholders dated 8 March 2022.

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

CORPORATE GOVERNANCE REPORT

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 88 to 98 and the Financial Statements on pages 100 to 157 of this Report.

During FY2021, the Company has issued options in accordance with the 2015 Plan as follows:

An aggregate of 21,550,000 options at the exercise price of S$0.1064 to grantees on 21 December 2021.

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.

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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 and the CEOs for FY2021 is as follows:

Directors and Chief Executive Officers Remuneration						
Name	Fees (%)	Salary (%)	Bonus (%)	Other Benefits (%) *	Fair Value of Share Option (%) **	Total (S$)
Executive Directors						
David Todd Dollinger (Chair and Chief Executive Officer) (***)	–	68.95	16.45	3.45	11.15	1,049,059
Steve Rhodes (Chair and Chief Executive Officer) (***)	–	67.98	16.99	3.53	11.51	1,016,166
Non-Executive Directors (****)						
Zeev Bronfeld (*****)	100.00	–	–	–	–	71,090
Elka Nir	100.00	–	–	–	–	51,713
Stephen Philip Haslett	100.00	–	–	–	–	51,635
Hang Chang Chieh	100.00	–	–	–	–	51,635
Mr. Sin Boon Ann	100.00	–	–	–	–	48,980

(*) 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 Chairs of the Board.

(****) 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").

There were no termination, retirement or post-employment benefits granted to the Directors and CEOs in FY2021.

CORPORATE GOVERNANCE REPORT

The breakdown for the remuneration paid to each of the top 5 KMP (who are not Directors or CEOs) for FY2021 is as follows:

Name	Salary (%)	Bonus (%)	Other Benefits (%) *	Fair Value of Share Option (%) **	Total (S$)
Haim Brosh	62.32	28.89	5.17	3.62	743,022
Barak Zinger	60.76	33.98	2.29	2.96	550,884
Eric Loh	81.10	7.36	-	11.54	326,375
Nitza Kardish	66.30	26.21	5.97	1.52	635,230
Nir Goldenberg	58.08	26.69	5.45	6.78	521,002
Aggregate remuneration					2,776,513

(*) 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 annual aggregate remuneration paid to the top 5 KMP (who are not Directors or the CEOs) for FY2021 was S$2,776,513.

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 CEO or Substantial Shareholder(s) of the Company whose remuneration exceeds S$100,000 during FY2021. “Immediate family member” means spouse, child, adopted child, step-child, brother, sister and parent.

Provision 8.3: Details of Employee Share Option Scheme.
Please refer to Provisions 8.1-8.2 of the Corporate Governance Report, Directors’ Report on pages 91 to 101 and the Financial Statements on pages 154 to 157 of this 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 controls 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.

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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 accepts 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 CEOs and its 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. The Board will review the frequency when there are any changes to the level of the Group's 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 FY2021 and as of 31 December 2021. The basis for the Board's views are as follows:

1. Assurance has been received from the CEOs and Chief Financial Officer 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 FY2021; and from the CEOs in respect 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;

CORPORATE GOVERNANCE REPORT

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 implemented appropriate policies and programs. The sustainability report of the Company for FY2021 is set out on pages 26 to 42 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 IA 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 Israel, 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 FY2021, 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 FY2021	(S$'000)	% of total
Audit fees	419	73%
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.)	157	27%
Total	**576**	**100%**

The non-audit services rendered by EY Israel during FY2021 were not substantial (less than 50% of the aggregate fees paid/payable to EY Israel). The Company is an Israeli incorporated company and EY Israel has confirmed that it is a member firm of the global network of Ernst & Young firms, Ernst & Young Global (which includes Messrs Ernst & Young LLP (Singapore), "**EY Singapore**")). For the purpose of compliance with Rule 712(2)(b) of the Catalist Rules, EY Israel has confirmed that it is a registered public accounting firm with the Public Company Oversight Board United States, which is a member of the International Forum of Independent Audit Regulators.

For FY2021, EY Israel has been appointed to audit the financial statements of the Company, its significant subsidiaries and associated companies incorporated in Israel. The Singapore-incorporated subsidiary, Trendlines Medical Singapore Pte. Ltd., is audited by EY Singapore. The Company confirms its compliance to the Catalist Rules 712 and 715.

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The Catalist Rules 712(2A) requires that an issuer that appoints an auditing firm that meets the requirements in Rule 712(2)(b) must also appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) to jointly audit its financial statements. In this regard, the Company intends to submit an application to the Singapore Exchange Regulation Pte Ltd ("**SGX RegCo**") to request for a waiver to comply with Rule 712(2A) which will allow it to continue to propose the re-appointment of EY Israel, as independent external auditors of the Company without having to appoint an additional auditing firm that meets the requirements in Rules 712(2)(a) (the "**Waiver Application**" and the "**Waiver**", respectively).

If the Waiver is not granted by the SGX RegCo until the Company's coming AGM to be held on 13 April 2022, then for the purpose of compliance with the following requirements under the Catalist Rules, the Company is proposing to change its independent external auditors from EY Israel to EY Singapore for the financial year ending 31 December 2022 (the "**Proposed Change of Auditors**").

If the Waiver is not granted, then the AC has recommended to the Board the appointment of EY Singapore, an audit firm in Singapore which is approved under the Accountants Act and is also a member of the International Forum ofIndependent Audit Regulators that will meet the requirements under the Catalist Rule.

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 will be able to meet the audit requirements of the Group and will not compromise the standard and effectiveness of the audit of the Company and the Group.

If the Waiver is not granted, then pursuant to the Rule 712(3) of the Catalist Rule, the appointment of EY Singapore as independent external auditors of the Company in place of the retiring auditors, EY Israel, will take effect upon the approval by the Shareholders at the Company's coming AGM to be held on April 2022. The Company confirms its compliance to the Catalist Rules 712 and 715.

EY Singapore has given their consent to be appointed as independent external auditors of the Company, subject to the approval of the shareholders at the AGM. The appointment of EY Singapore will take effect upon the approval of the shareholders at the AGM and, if appointed, EY Singapore will hold office until the conclusion of the next AGM. Accordingly, EY Israel will not be seeking re-appointment at the AGM.

If the Waiver is granted, then the AC has recommended the re-appointment of EY Israel as an independent external auditors of the Company for the ensuing year, subject to approval of the shareholders at the Company's coming AGM to be held on April 2022.

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 concerning 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/

CORPORATE GOVERNANCE REPORT

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.

The AC is comprised of four Directors, 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. The names of the members of the AC are set out in page 56 of this Report. The AC includes the Company's External Directors, namely Ms. Elka Nir and Professor Hang Chang Chieh, whose re-appointment as External Directors were approved by the Shareholders at the Company's SGM held on 4 March 2022 in compliance with the Israeli Companies Law, whereupon the AC was constituted in compliance with the Israeli Companies Law. The Chairperson of the AC is Ms. Elka Nir.

At its current composition, the AC comprises members who are appropriately qualified, having 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;

CORPORATE GOVERNANCE REPORT

- 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; and
- 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, which are not negligible transactions;
- 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;
- 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; and

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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 FY2021 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 FY2021

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 2021 had a carrying amount of US$83.0 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 establishes and invests in new portfolio companies as well as 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 2021 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 FY2021.

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"), on 23 February 2021, 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.

CORPORATE GOVERNANCE REPORT

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 his 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 in the absence of management during FY2021, for audit report with respect to "Fairness of attendance reporting" and "Related party transactions".

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 regarding 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 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.

In light of the unprecedented situation due to the Coronavirus pandemic ("**COVID-19**") and to support the health and well-being of the Shareholders, employees and communities, the general meetings of the Company during 2021 were held in a virtual-only meeting format via "**live**" audio-visual webcast as set out in the COVID-19 (Temporary Measures) Act 2020 passed on 7 April 2020 and the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 published on 13 April 2020.
In addition, for the general meetings of the Company during 2022, shareholders will be allowed to participate by (a) observing and/or listening to the meeting proceedings via live audio-visual webcast and live audio-only stream (Live Webcast); (b) submitting questions in advance; (c) submitting text-based questions via the Live Webcast; and (d) live voting or appointing proxy(ies) to attend and vote on their behalf at the AGM and/or the SGM.

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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 general meeting which are provided to shareholders.

Provision 11.3 of the 2018 Code: All directors attend general meetings of shareholders.
Both Chairs of the Company shall be present at general meetings, unless such presence is not reasonably possible in which case at least one of the Chairs 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 Chief Financial Officer 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 Chief Financial Officer shall participate in the meeting via teleconference or other communication means. The external auditors are also required to be present to address shareholders' queries about the conduct of 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, 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.

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, the Board is of the view that the current arrangement for the Chairs of the Company to be present at 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 general meetings, as well as the frequency of such meetings held during FY2021 are as follows:

Number of general meetings held	**2**
Name of Director	**Number of meetings attended**
Mr. David Todd Dollinger	2
Mr. Stephen Louis Rhodes	2
Mr. Zeev Bronfeld	–
Ms. Elka Nir	–
Prof. Stephen Philip Haslett	–
Prof. Hang Chang Chieh	2
Mr. Sin Boon Ann	–

Provision 11.4 of the 2018 Code: Shareholders should be allowed vote in absentia.
Shareholders are given the opportunity to vote at general meetings. However, as the authentication of Shareholder's identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means. The general meetings of the Company during FY2021 were convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Order 2020**"). The Company had put in place alternative arrangements relating to attendance at the general meetings via electronic means (including arrangements by which the meeting can

CORPORATE GOVERNANCE REPORT

be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the general meetings in advance of the general meetings, and addressing of substantial and relevant questions prior to the general meetings. Shareholders were also granted the opportunity to appoint the Chair of the meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the general meetings of the Company in accordance with the requirements under the Order 2020 and SGX guidance for holding 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. Generally, the Company does not currently publish such minutes on its corporate website, but the minutes will be provided to Shareholders upon request, as communicated to Shareholders in the notices of the general meetings. Since the general meetings of the Company during FY2021 were held by way of electronic means in accordance with the requirements under the Order 2020 and SGX guidance for holding general meeting, the minutes of the general meetings of the Company during FY2021 had been announced by the Company via SGXNET (www.sgx.com) and published on its corporate website for general viewing within one month after the general meetings.

Provision 11.6 of the 2018 Code: The Company has a dividend policy.
The Board 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.

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 unaudited, 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. All Shareholders 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 CEOs, 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 to ensure that all information presented or made available contains only (i) information that has been already been disclosed on the SGXNET; and (ii) non-price sensitive information.

CORPORATE GOVERNANCE REPORT

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

- one-on-one and group meetings;
- conferences and roadshows;
- annual general meetings and special general meetings;
- an external investor relations team whose contact details can be found on the Company's website;

In light of the public health impact of the coronavirus (COVID-19) pandemic and to support the health and well-being of the shareholders, the Company solicited feedback from and addressed the concerns of shareholders during 2021 through virtual meetings, audio/video conference call, virtual conferences etc.

- 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 medium 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, 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 FY2021, or, if not then subsisting, were entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

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 S$100,000/- for FY2021.

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 FY2021.

While the total amount invested by Agriline Limited(1) in 15 portfolio companies was S$18 million,
the value of the transactions (which is the amount at risk to the Company) resulting from only one transaction, as announced on 27 October 2021:
interest payable on the Loan per annum, being US$49,000 (below S$100,000).
And an Additional Maximum Payment, capped at US$4.5 million and which represents 4.67% of the latest audited net tangible assets ("NTA") of the Group as at 31 December 2020.

(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.

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 FY2021.

CORPORATE GOVERNANCE REPORT

Rule 1204(22): Use of IPO Proceeds, the private placement as detailed in the announcement dated 25 October 2017 (the "2017 Placement"), the private placement as detailed in the announcement dated October 2019 (the "2019 Placement") and the rights Issue as detailed in the announcement dated 19 September 2019 (the "Rights Issue").

The net proceeds raised from the initial public offering of the Company ("**IPO**"), after deducting the cash expenses in relation to the IPO of approximately S$5.7 million is approximately S$19.3 million.

The following table sets out the breakdown of the use of proceeds from the 2017 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)
Follow-on investments in portfolio companies	10,000	10,000	–
Expansion of operations into new markets	5,000	5,000	–
Expansion of internal innovation centre, Trendlines Innovation Labs	2,875	2,875	–
Operational expenses to support potential increase in the number of portfolio companies	1,400	1,400	–
Total	**19,275**	**19,275**	**–**

The above utilizations are in accordance with the intended use of IPO proceeds, as stated in the Company's Offer Document dated 16 November 2015.

The net proceeds raised from the 2017 Placement, after deducting the cash expenses in relation to the 2017 Placement of approximately S$0.7 million is approximately S$13.3 million.

The following table sets out the breakdown of the use of proceeds from the 2017 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)
General working capital*	4,000	4,000	–
Direct and indirect investments into new, prospective or existing portfolio companies	9,338	9,338	–
Total	**13,338**	**8,038**	**–**

* 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 2017 Placement proceeds, as stated in the Company's announcement dated 10 October 2017.

The net proceeds raised from the 2019 Placement, after deducting the cash expenses in relation to the 2019 Placement of approximately S$0.06 million is approximately S$10.8 million.
The following table sets out the breakdown of the use of proceeds from the 2019 Placement as at the date of the Annual Report:

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Purpose	Amount allocated (S$'000)	Amount utilized as at the date of the Annual Report (S$'000)	Balance (S$'000)
General working capital*	3,246	3,246	–
Direct and indirect investments into new, prospective or existing portfolio companies	7,574	7,574	–
Total	**10,820**	**10,820**	**–**

* 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 Placement Net Proceeds, as stated in the Company's announcement dated 22 July 2019.

The net proceeds raised from the Rights Issue, after deducting the cash expenses in relation to the Rights Issue of approximately S$0.15 million is approximately S$8.1 million.

The following table sets out the breakdown of the use of proceeds from the Rights Issue 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)
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 net proceeds from the Rights Issue, as stated in the Company's announcement dated 19 December 2019.

Pending the deployment of the unutilised proceeds from Rights Issue as set out above, the unutilised proceeds will be invested from time to time, either in interest-bearing deposits with licenced banks (in Israel or in Singapore) or in a structured investment, by which the principal will be kept, but the interest will be dependent on highly risky performance of structured investments. The amount invested in those structured investments will be held in the licenced bank for a period of one or two years (depending on the chosen investment).

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 2021.

Directors

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

Name of Director	Designation
Mr. David Todd Dollinger	Chief Executive Officer and Chair of the Board
Mr. Stephen Louis Rhodes	Chief Executive Officer and Chair of the Board
Mr. Zeev Bronfeld	Non-Executive Director
Ms. Elka Nir	External Director (Lead Independent Director)
Prof. Stephen Philip Haslett	Independent Director
Prof. Hang Chang Chieh	External Director (Independent Director)
Mr. Sin Boon Ann	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 FY2021 (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 2022.

DIRECTORS' REPORT

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 2022	At the beginning of the Year	At end of the Year	At 21 January 2022
Ordinary Shares						
David Todd Dollinger	13,456,040	13,456,040	13,456,040	5,838,384 – Meitav Dash Benefits for the Benefit of David Dollinger 325,138 (TIF Shares)[(1)]	5,838,384 – Meitav Dash Benefits for the Benefit of David Dollinger 325,138 (TIF Shares)[(2)]	5,838,384 – Meitav Dash Benefits for the Benefit of David Dollinger 325,138 (TIF Shares)[(2)]
Stephen Louis Rhodes	13,456,040	13,456,040	13,456,040	5,838,384 – Meitav Dash Benefits for the Benefit of Stephen Louis Rhodes 325,138 (TIF Shares)[(1)]	5,838,384 – Meitav Dash Benefits for the Benefit of Stephen Louis Rhodes 325,138 (TIF Shares)[(1)]	5,838,384 – Meitav Dash Benefits for the Benefit of Stephen Louis Rhodes 325,138 (TIF Shares)[(1)]
Zeev Bronfeld	72,732,416	72,732,416	72,732,416	–	–	–
Prof. Stephen Philip Haslett	–	–	–	–	–	–
Elka Nir	–	–	–	–	–	–
Prof. Hang Chang Chieh	–	–	–	–	–	–
Sin Boon Ann	–	–	–	–	–	–

DIRECTORS' REPORT

Directors' Interests in Related Corporations:

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 2022	At the beginning of the Year	At end of the Year	At 21 January 2022
Stimatix G.I. Ltd.						
Share options						
Zeev Bronfeld	2,320	2,320	2,320	2,000[(3)]	2,000[(3)]	2,000[(3)]
S.T.S. Medical Ltd.						
Ordinary Shares						
Zeev Bronfeld	–	–	–	7,120	7,952	7,952
Share options						
Zeev Bronfeld	–	–	–	6,294	6,294	6,294

(1) Each of Messrs. David Todd Dollinger and Stephen Louis Rhodes are indirectly interested those 325,138 Trendlines Shares distributed to T.D.L International Directions Ltd. ("TDL") (formerly known as Trendlines International Ltd.) and Trendlines Venture Partners L.P., as follows: Each of Messrs. Dollinger and Rhodes has 45% shareholding interest in TDL. TDL holds approximately 99.8% of the shareholding interest in Trendlines Venture Management Ltd., which is the general partner of Trendlines Venture Partners L.P. David Todd Dollinger and Stephen Louis Rhodes are directors and shareholders of Trendlines Venture Management Ltd., which, is the general partner of Trendlines Venture Partners L.P., TDL and Trendlines Venture Partners L.P. hold 231,020 Ordinary Shares and 94,118 Ordinary Shares, respectively.
(2) The shares are held for himself and in trust for the benefit of David Todd Dollinger.
(3) The holding is through M.B.R.T. Developments and Investments Ltd, a company wholly owned by Zeev Bronfeld.

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 hehas a substantial financial interest.

DIRECTORS' REPORT

Share Options

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

The following table sets out information regarding Old Options granted to the directors under the Old Option Plan:

Name of Participant	Aggregate options granted during financial year under review	Aggregate options granted since commencement of the Old Option Plan to 31 December 2021	Aggregate options exercised since commencement of the Old Option Plan to 31 December 2021	Aggregate options outstanding at 31 December 2021
David Todd Dollinger	–	13,272,928	–	13,272,928
Stephen Louis Rhodes	–	13,272,928	–	13,272,928
Zeev Bronfeld	–	–	–	–
Elka Nir	–	–	–	–
Prof. Stephen Philip Haslett	–	–	–	–
Prof. Hang Chang Chieh	–	–	–	–
Sin Boon Ann	–	–	–	–

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

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, 32,814,256 Old Options exercisable into 32,814,256 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) 90 days 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.

DIRECTORS' REPORT

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.

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 32,814,256 Old Options granted and outstanding under the Old Option Plan. Thefollowing 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

DIRECTORS' REPORT

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
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.	5,079,024	3,666,040	1,412,984	1,412,984	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	520,000	1,000,000	1,000,000	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 Meetingof 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 Remuneration Committee comprises 3 directors, namely: Elka Nir, Prof. Stephen Philip Haslett and Prof. Hang Chang Chieh.

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 2021	Aggregate options exercised since commencement of the Plan to 31 December 2021	Aggregate options outstanding at 31 December 2021
David Todd Dollinger	3,955,957	3,955,957	-	3,955,957
Stephen Louis Rhodes	3,955,957	3,955,957	-	3,955,957

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.

DIRECTORS' REPORT

As at the end of the Year, a total of 49,416,276 options exercisable into 49,416,276 Shares at exercise prices of between S$0.0978 and S$0.32 were granted to 79 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, 44,453,372 options exercisable into 44,453,372 Shares at exercise prices of between S$0.0978 and S$0.32 remain outstanding (after taking into account 288,055 options previously granted to former employees that had lapsed and expired during the Year). 16,187,889 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.

DIRECTORS' REPORT

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 employeeswho have made significant contributions to the success and development of our Group would be granted Discounted Options.

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 44,453,372 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

DIRECTORS' REPORT

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
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
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
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
Nir Goldenberg	15 September 2016	-	251,753	-	251,753	S$0.187	10 years as of the date of grant	15 September 2026
	25 February 2019	–	750,000	-	750,000	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	1,700,000	-	1,700,000	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

DIRECTORS' REPORT

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
Other employees	15 September 2016	–	1,051,069	799,316	251,753	S$0.187	10 years as of the date of grant	15 September 2026
	6 April 2017	–	531,799	478,618	53,181	S$0.156	10 years as of the date of grant	6 April 2027
	12 August 2018	–	1,066,492	161,114	905,378	S$0.105	10 years as of the date of grant	12 August 2028
	25 February 2019	–	335,526	90,000	245,526	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	2,848,000	266,941	2,581,059	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	-	9,175,000	20,000	9,155,000	S$0.1064	10 years as of the date of grant	21 December 2031

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

DIRECTORS' REPORT

Audit Committee

The Audit Committee was established on 19 October 2015 and the members of the Audit Committee comprise of 4 directors, namely, Elka Nir, Prof. Stephen Philip Haslett, Prof. Hang Chang Chieh and Sin Boon Ann.

During FY2021, the Audit Committee had held eight 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,

David Todd Dollinger, Chair and CEO

Stephen Louis Rhodes, Chair and CEO

7 March 2022

STATEMENTS BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 103 to 160 are drawn up so as to give a true and fair view of the Companyand of the Group as at 31 December 2021 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,

David Todd Dollinger, Chair and CEO

Stephen Louis Rhodes, Chair and CEO

7 March 2022

THE TRENDLINES GROUP LTD.

INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF THE TRENDLINES GROUP LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

(U.S. dollars in thousands)

THE TRENDLINES GROUP LTD.

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021,

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INDEPENDENT AUDITORS' REPORT

EY
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To the Shareholders and Board of Directors
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 December 31, 2021, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and the Company as of December 31, 2021, and the Group's financial performance, changes in equity and 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 International Standards on Auditing ("ISA"s). 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 International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Israel as prescribed by the Auditor Regulations (Conflict of Interests and Impairment of Independence Resulting from Another Occupation) 2008, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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 matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the 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 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 financial statements

Key Audit Matter in 2021

Investments in Portfolio Companies The Group's disclosures about its investments in Portfolio Companies are included in Notes 7 and 9.

The Group's investments in Portfolio Companies represent 69% 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 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.

INDEPENDENT AUDITORS' REPORT

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How our audit addressed the matter

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

We used our internal valuation specialists to assess the valuation of the material investments, and to assess whether the valuations arrived at by the Group were within a pre-defined 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 among others benchmarking them with external data. We also evaluated the Group's assessment whether other evidence exists that could affect the valuation of individual investments.

Finally, we assessed the completeness and accuracy of the disclosures relating to investments to assess compliance with disclosure requirements included in IFRS.

Other information included in the Group's 2021 Annual Report

Other information consists of the information included in the Group's 2021 Annual Report other than the financial statements and our auditors' report thereon. Management is responsible for the other information.

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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

INDEPENDENT AUDITORS' REPORT

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

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

- Identify and assess the risks of material misstatement of the 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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 Sharon Zalewski.

Tel Aviv, Israel
7 March, 2022

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

STATEMENTS OF FINANCIAL POSITION

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

	Note	The Group		The Company	
		December 31,		December 31,	
		2021	2020	2021	2020
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents		14,309	10,656	10,894	2,199
Short-term bank deposits	3	4,252	101	4,149	-
Accounts and other receivables	4	3,361	2,698	8,301	1,125
Short-term loans to Portfolio Companies	5	287	19	225	-
Total Current Assets		22,209	13,474	23,569	3,324
NON-CURRENT ASSETS:					
Investments in Portfolio Companies	9	83,046	83,730	-	-
Long-term bank deposits	3	-	4,127	-	4,127
Accounts and other receivables	4;9(B)(2)	5,276	2,696	4,721	-
Contingent consideration receivable	9(B)(2)	6,599	2,898	6,599	-
Right-of-use assets	10	2,752	2,122	-	-
Investment in Subsidiaries	8	-	-	78,352	82,911
Deferred taxes	15(D)	-	6,838	-	6,645
Property, plant and equipment, net	6	1,201	959	523	130
Total Non-Current Assets		98,874	103,370	90,195	93,813
Total Assets		121,083	116,844	113,764	97,137

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	
		December 31,		December 31,	
	Note	2021	2020	2021	2020
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Lease liabilities	10;14(A)	776	669	-	-
Loans	11	4,241	-	4,241	-
Trade and other payables	12	4,246	1,679	2,204	597
Deferred revenues	2(B)(12)	1,184	616	337	-
Total Current Liabilities		10,447	2,964	6,782	597
LONG-TERM LIABILITES:					
Deferred revenues	2(B)(12)	679	-	-	-
Loans from the Israel Innovation Authority	13	2,718	2,626	1,434	-
Lease liabilities	10;14(A)	2,274	2,297	-	-
Deferred taxes	15(D)	2,156	12,350	2,230	-
Other long-term liabilities		267	272	232	223
Total Long-Term Liabilities		8,094	17,545	3,896	223
EQUITY:					
Equity Attributable to Equity Holders of the Company:					
Share capital	17	2,123	2,123	2,123	2,123
Share premium		79,312	79,307	79,312	79,307
Reserve from hedges	14(C)	-	45	-	45
Reserve from share-based payment transactions	18	4,378	4,131	4,378	4,131
Retained earnings		17,273	10,710	17,273	10,710
Total		103,086	96,316	103,086	96,317
Non-Controlling Interests _		(544)	19	-	-
Total Equity		102,542	96,335	103,086	96,317
Total Liabilities and Equity		121,083	116,844	113,764	97,137

2022			
Date of approval of the financial statements	D. Todd Dollinger Co-Chairman and Chief Executive Officer	Steve Rhodes Co-Chairman and Chief Executive Officer	Haim Brosh 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 data

	Note	Year ended December 31, 2021	2020
Income:			
Gain (loss) from change in fair value of investments in Portfolio Companies, net	2(B)(5);7(D)	9,151	(10,996)
Income from services to Portfolio Companies	2(B)(12)	1,542	2,981
Income from contracted R&D services	2(B)(12)	759	863
Financial income	19(D)	4,260	3,931
Other income		410	372
Total income		16,122	(2,849)
Expenses:			
Operating, general and administrative expenses	19(A)	11,125	7,937
Marketing expenses		328	214
Research and development expenses, net	19(B)	1,510	1,087
Financial expenses	19(C)	514	860
Total expenses		13,477	10,098
Income (loss) before income taxes		2,645	(12,947)
Income tax benefit	15(E)	3,355	8,996
Net income (loss)		6,000	(3,951)
Other comprehensive income (loss):			
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met:			
Income (loss) from cash flow hedges		(45)	220
Total comprehensive income (loss)		5,955	(3,731)
Net income (loss) attributable to:			
Equity holders of the Company		6,563	(3,734)
Non-Controlling Interests		(563)	(217)
		6,000	(3,951)
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		6,518	(3,514)
Non-Controlling Interests		(563)	(217)
		5,955	(3,731)
Net income (loss) per share attributable to equity holders of the Company (in U.S dollars):	20		
Basic and diluted net income (loss) per share		$ 0.01	$ (0.01)

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 hedges	Reserve from share-based payment transactions	Retained earnings	Total	Non-Controlling Interests	Total equity
Balance as of January 1, 2020	**2,123**	**79,289**	**(175)**	**3,853**	**14,444**	**99,534**	**236**	**99,770**
Net loss and total comprehensive loss	-	-	220	-	(3,734)	(3,514)	(217)	(3,731)
Cost of share-based payments	-	-	-	296	-	296	-	296
Expiration of options	-	18	-	(18)	-	-	-	-
Balance as of December 31, 2020	2,123	79,307	45	4,131	10,710	96,316	19	96,335
Net income and total comprehensive income	-	-	(45)	-	6,563	6,518	(563)	5,955
Cost of share-based payments	-	-	-	252	-	252	-	252
Expiration of options		5	-	(5)	-	-	-	-
Balance as of December 31, 2021	2,123	79,312	-	4,378	17,273	103,086	(544)	102,542

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,	
CASH FLOW FROM OPERATING ACTIVITIES:	**2021**	**2020**
Net income (loss)	6,000	(3,951)
Adjustments to reconcile net income (loss) to net cash provided by operating (used in)activities:		
Adjustments to the profit or loss items:		
Depreciation	1,102	1,356
Tax benefit	(3,355)	(8,996)
Loss (gain) from changes in fair value of investments in Portfolio Companies, net	(9,151)	10,996
Financial expenses (income), net	301	(3,602)
Financial income related to contingent consideration	(3,701)	-
Income from services to Portfolio Companies	(769)	(2,150)
Share-based payments	252	296
Changes in asset and liability items:		
Decrease (increase) in short-term loans to Portfolio Companies	(268)	141
Decrease (increase) in accounts and other receivables	(3,243)	167
Increase (decrease) in deferred revenues	2016	-
Decrease (increase) in trade and other payables	2,479	(250)
Decrease (increase) in other long-term liabilities	(5)	59
	(14,342)	(1,983)
Sale of short-term investments	-	9,001
Investments in Portfolio Companies	(4,553)	(5,787)
Proceeds from realization of Portfolio Company	13,652	-
	9,099	3,214
Interest paid	(124)	(205)
Interest received	16	2
	(108)	(203)
Net cash provided by (used) in operating activities	650	(2,923)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,	
	2021	**2020**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(574)	(481)
Proceeds from bank deposits and short-term bank deposits, net	(24)	192
Purchase of a long-term bank deposit	-	(4,127)
Net cash used in investing activities	(598)	(4,416)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan received	4,233	-
Payment of lease liability	(824)	(547)
Loans received from the Israel Innovation Authority	193	176
Net cash provided by (used in) financing activities	3,602	(371)
Increase (decrease) in cash and cash equivalents	3,653	(7,710)
Cash and cash equivalents at the beginning of the year	10,656	18,366
Cash and cash equivalents at the end of the year	14,309	10,656
Non-cash transactions		
Receivables from realization of investment in Portfolio Company	6,139	7,063
Additions to right-of-use assets with corresponding lease liability	1,401	485

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

NOTES TO THE FINANCIAL STATEMENTS

U.S. dollars in thousands, except 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.

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

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

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

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 March 7, 2022.

NOTES TO THE FINANCIAL STATEMENTS

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.
Medical	-	Trendlines Incubators Israel Ltd. a technological incubator. the Absorbed 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 August 22, 2001 through August 31, 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 September 1, 2007 (when the Incubators started to function as for-profit companies under the control of The Trendlines Group) through December 31, 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 January 1, 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:- SIGNIFICANT 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.

B. Summary of significant 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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

1. Functional currency, presentation currency and foreign currency (Cont.)

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. Nonmonetary assets and liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Nonmonetary 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.

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.

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 Company'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 Company'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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- **SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

B. Summary of significant accounting policies (Cont.)

4. Financial instruments (Cont.)

a. Financial assets (Cont.)

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.

b. Impairment of financial assets:

The Company 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 Company 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:

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

4. Financial instruments (Cont.)

c. Derecognition of financial assets: (Cont)

- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

4. Financial instruments (Cont.)

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.

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).

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

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).

7. Leases

The Company 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 Company is the lessee, the Company 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 Company 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 Company 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 Company's incremental borrowing rate. After the commencement date, the Company 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 Company tests for impairment of the right-of-use asset whenever there are indications of impairment pursuant to the provisions of IAS 36.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

7. Leases (Cont.)

2. Variable lease payments that depend on an index:

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

For leases in which the Company 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 Company 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 Company 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 Company 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 Company 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

.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

8. Property, plant and equipment (Cont.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

10. Income taxes (Cont.)

b. Deferred taxes: (Cont.)

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 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

.

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).

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

12. Revenue recognition (Cont.)

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 Company's performance. Revenue is recognized in the reporting periods in which the services are rendered. The Company charges its customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, the Company 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(A)). 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 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)).

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

13. Grants received (Cont.)

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") in 2021 and 2020 are recorded as a reduction of research and development expenses as the repayment of the grants is not presently probable - see Note 21.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

16. Derivative financial instruments and hedge accounting (Cont.)

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.

17. Amendments to IFRS 9 regarding the IBOR reform:

In August 2020, the IASB issued amendments to IFRS 9, "Financial Instruments" ("the Amendment").

The Amendment provide practical expedients when accounting for the effects of the replacement of benchmark Interbank Offered Rates (IBORs) by alternative Risk-Free Interest Rates (RFRs).

Pursuant to one of the practical expedients, an entity will treat contractual changes or changes to cash flows that are directly required by the reform as changes to a floating interest rate. That is, an entity recognizes the changes in interest rates as an adjustment of the effective interest rate without adjusting the carrying amount of the financial instrument. The use of this practical expedient is subject to the condition that the transition from IBOR to RFR takes place on an economically equivalent basis.

In addition, the Amendment permit changes required by the IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued, provided certain conditions are met. The Amendment also provide temporary relief from having to meet the "separately identifiable" requirement according to which a risk component must also be separately identifiable to be eligible for hedge accounting.

The Amendment include new disclosure requirements in connection with the expected effect of the reform on an entity's financial statements, such as how the entity is managing the process to transition to the interest rate reform, the risks to which it is exposed due to the reform and quantitative information about IBOR-referenced financial instruments that are expected to change.

The Amendment are effective for annual periods beginning on or after January 1, 2021. The Amendments are to be applied retrospectively. However, restatement of comparative periods is not required. Early application is permitted

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NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

17. Amendments to IFRS 9 regarding the IBOR reform: (Cont)

The Company is presently assessing the accounting implications, if any, of the transition from IBORs to RFRs on the financial instrument contracts that are expected to be in effect on the transition date, including the effects of the application of the above Amendments.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:
• A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

• Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

• Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

The Group have a short term loan that bears an monthly interest rate of LIBOR + 3.5%. (see Note 11 for details).

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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT 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. Amendments to IFRS 10 and IAS 28 regarding sale or transfer of assets between an investor and its associate or joint venture

In September 2014, the IASB issued amendments to IFRS 10 and IAS 28 ("the Amendments") regarding the accounting treatment of the sale or transfer of assets (an asset, a group of assets or a subsidiary) between an investor and its associate or joint venture.

According to the Amendments, when the investor loses control of a subsidiary or a group of assets that are not a business in a transaction with its associate or joint venture, the gain will be partially eliminated such that the gain to be recognized is the gain from the sale to the other investors in the associate or joint venture. According to the Amendments, if the remaining rights held by the investor represent a financial asset as defined in IFRS 9, the gain will be recognized in full. If the transaction with an associate or joint venture involves loss of control of a subsidiary or a group of assets that are a business, the gain will be recognized in full.

The Amendments are to be applied prospectively. A mandatory effective date has not yet been determined by the IASB but early adoption is permitted.

2. Amendments to IAS 1, Presentation of financial statements

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial statements, ("the Amendments") regarding the criteria for determining the classification of liabilities as current or non-current.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. Disclosure of new standards in the period prior to their adoption (Cont.)

2. Amendments to IAS 1, Presentation of financial statements (Cont.)

The Amendments include the following clarifications:

- the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period;
- classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The Amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.

The Company is evaluating the possible impact of the Amendments, but is currently unable to estimate their impact, if any, on the financial statements.

3. Amendments 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 to be applied prospectively for annual reporting periods beginning on or after January 1, 2023 and is applicable to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

4. Amendments 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 give rise to equal taxable and deductible temporary differences, even if they meet the other criteria of the initial recognition exception.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. Disclosure of new standards in the period prior to their adoption (Cont.)

4. Amendments to IAS 12, "Income Taxes" (Cont.)

The Amendment is to be applied for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. In relation to leases and decommissioning obligations, the Amendment is to be 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 should be recognized as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at that date.

The Company estimates that the initial application of the Amendment is not expected to have a material impact on its financial statements.

NOTE 3:- SHORT AND LONG-TERM BANK DEPOSITS

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Restricted short-term deposits	103	101	-	-
Short-term bank deposits*)	4,149	-	4,149	-
	4,252	101	4,149	-

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Long-term bank deposits*)	-	4,127	-	4,127
	-	4,127	-	4,127

*) The bank deposits with a principal amount of $4,000 mature in January 2022. The deposits are comprised of four tranches of $1,000 each. Each tranche bears interest based on the extent to which share prices of a group of five publicly traded shares specified in that tranche reach a pre-determined target by the maturity date. The balance at December 31, 2021, and 2020, was calculated based on the historical performance of the share prices through that date representing future performance until maturity. Changes in the carrying amount in 2021 of $22 (2020 of $127) are recorded in Financial Income in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 4:- ACCOUNTS AND OTHER RECEIVABLES

Short-term:

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Trade receivables*)	360	55	2,261	128
Short-term receivables from the sale of ApiFix **)	2,175	2,141	2,175	-
Government authorities	91	27	8	(20)
Related Parties	307	132	3,529	906
Others	428	343	328	111
	3,361	2,698	8,301	1,125

Long-term:

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Receivable from sale of Orthospin **)	2,347	-	1,968	-
Receivables from the sale of ApiFix ***)	2,753	2,696	2,753	-
Related Parties	176	-	-	-
	5,276	2,696	4,721	-

*) Trade receivables are non-interest bearing and are generally on terms of 90 days. As of December 31, 2021, and 2020, trade receivables were neither past due nor impaired.
**) See note 9(B)(3).
***) See note 9(B)(2).

NOTE 5:- SHORT-TERM LOANS TO PORTFOLIO COMPANIES

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
To Portfolio Companies - related parties(1)	287	19	225	–

(1) The loans bear interest of 4% per annum for the years ended December 31, 2021 and 2020.

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 January 1, 2020	1,321	462	657	2,440
Additions	347	27	105	479
Disposals	-	(2)	(217)	(219)
Balance as of December 31, 2020	1,668	487	545	2,700
Additions	27	484	62	573
Disposals	-	(43)	-	(43)
Balance as of December 31, 2021	1,695	928	607	3,230
Accumulated depreciation:				
Balance as of January 1, 2020	919	245	411	1,575
Depreciation	114	56	79	249
Disposals	-	-	(83)	(83)
Balance as of December 31, 2020	1,033	301	407	1,741
Depreciation	165	88	78	288
Disposals	-	(43)	-	-
Balance as at December 31,2021	1,198	346	485	2,029
Depreciated cost:				
Balance as of December 31, 2021	497	582	122	1,201
Balance as of December 31, 2020	635	186	138	959

NOTES TO THE FINANCIAL STATEMENTS

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 January 1, 2020	107	112	415	634
Additions	1	1	36	38
Disposals	-	-	(217)	(217)
Balance as of December 31, 2020	108	113	234	455
Merger*)	762	213	152	1,127
Additions	27	15	45	87
Disposals	-	(43)	-	(43)
Balance as of December 31, 2021	897	298	431	1,626
Accumulated depreciation:				
Balance as of January 1, 2020	57	60	249	366
Depreciation	11	8	19	38
Disposals	-	-	(79)	(79)
Balance as of December 31, 2020	68	68	189	325
Merger*)	415	108	117	640
Depreciation	70	23	45	138
Disposals	-	(43)	-	-
Balance as at December 31,2021	553	199	351	1,103
Depreciated cost:				
Balance as of December 31, 2021	344	99	80	523
Balance as of December 31, 2020	40	45	45	130

*) See note 1(A).

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 7:- FAIR VALUE MEASUREMENT

A. The following table presents the fair value measurement hierarchy for the Group's investments and loans.

	The Group							
	December 31, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Portfolio Companies	-	-	83,046	83,046	-	-	83,730	83,730
Short-term bank deposits	-	-	4,149	4,149	-	-	-	-
Long-term bank deposits	-	-	-	-	-	-	4,127	4,127
Contingent consideration receivable	-	-	6,599	6,599	-	-	2,898	2,898
	-	-	93,794	93,794	-	-	90,755	90,755
Financial liabilities								
Loan	-	-	233	233	-	-	-	-
Loans from IIA	-	-	2,781	2,781	-	-	2,626	2,626
	-	-	3,041	3,041	-		2,626	2,898

	The Company					
	December 31, 2021			December 31, 2020		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets						
Short-term bank deposits	-	4,149	4,149	-	-	-
Contingent consideration receivable	-	6,599	6,599	-	-	-
Long-term bank deposits	-	-	-	-	4,127	4,127
	-	10,784	10,784	-	4,127	4,127
Financial liabilities						
Loan	-	233	233	-	-	-
Loans from IIA	-	1,434	1,434	-	-	-
		1,667	1,667	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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

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.

NOTES TO THE FINANCIAL STATEMENTS

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.)

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.

NOTES TO THE FINANCIAL STATEMENTS

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) % 2021	2020	Sensitivity of the input to fair value
Investments in Portfolio Companies	DCF -Expected royalties	Long-term growth rate for cash flows for subsequent years	4 - 5.8	3.9 - 5.8	Increase (decrease) in the growth rate would result in increase (decrease) in fair value
		NPV discount rate	2.05	1.93	Decrease (increase) in the NPV discount rate would result in increase (decrease) in fair value
	Market Comparable Approach	Revenue Multiplier	1.94 – 5.12 (3.60)	1.36-4.13 (2.87)	Increase (decrease) in the revenue multiplier would result in increase (decrease) in fair value
		Weighted average cost of capital (WACC)	30 – 50 (39)	30 - 50 (40)	Change in WACC rate would result in increase (decrease) in fair value
	Cost Approach	Weighted average cost of capital (WACC)	50 – 60 (56)	48-60 (53)	Change in WACC rate would result in increase (decrease) in fair value
Loans from IIA	Black and Scholes formula for option pricing	Expected term (years)	1.92 – 3 (2.37)	2.71-4 (3.38)	
		Expected volatility (annual)	45 – 119 (74)	46-119 (77)	
		Risk free interest rate	-2.5- -2.4 (-2.4)	-0.9- -0.52 (-0.01)	
	Present value of the expected cash flows	Risk adjusted discount rate	2.4 – 7.9 (5.1)	7.2-8.8 (8)	Increase (decrease) in the parameter would result in decrease (increase) in fair value

NOTES TO THE FINANCIAL STATEMENTS

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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 January 1, 2020	102,825	(3,567)
Total unrealized gain (loss) recognized in profit or loss *)	(10,996)	1,082
Total realized gain (loss) recognized in profit or loss *)	-	-
Additions	(8,099)	(141)
As of December 31, 2020	83,730	(2,626)
Total unrealized gain (loss) recognized in profit or loss *)	(6,848)	58
Total realized gain (loss) recognized in profit or loss *)	15,999	-
Additions	(9,835)	(150)
As of December 31, 2021	83,046	(2,718)

*) Realized and unrealized gains on investments in Portfolio Companies are recorded in "gain (loss) from change in fair value of investments in Portfolio Companies" and realized and unrealized gains (loss) on loans from IIA are recorded in "Financial income (expenses)".

NOTE 8:- INVESTMENT IN INVESTEES

The Company 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 December 31, 2021, MITF has not yet reached the value or realization that would entitle the GP to receive the 20% carry.

In November 2019, the Company 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 December 31, 2021, the investors committed to invest approximately $18,400 in redeemable shares of the Fund. As of the date of the approval of the financial statements, the Fund had called and received $9,216.

AFIC as the fund manager has responsibility for identifying and sourcing investments for the Fund. As of December 31, 2021, the Fund has invested in seven companies, three of which is also held by the Company as a portfolio companies, in which AFIC holds less then 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 December 31, 2021 and 2020 is $368 and $291, 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 December 31, 2021, the GP is not entitled to any carried interest from the Fund.

The Bayer Trendlines Ag Innovation Fund ("Bayer Fund"") with AgFund GP as the GP – as of December 31, 2021, The Bayer Fund invested in 3 companies (simultaneously with the investment and / or establishment of the same 3 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 disposed of any of its holdings and has not yet reached the value or realization that would entitle the GP to receive the 20% carry.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 9:- INVESTMENTS IN PORTFOLIO COMPANIES (Cont.)

A. Information on Portfolio Companies

The following is the number of Portfolio Companies and fair value:

	December 31, 2021		December 31, 2020	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Companies in Incubation Period	3,570	4	4,564	5
Incubator Graduate Companies(1)	74,735	31	75,123	36
Other Portfolio Companies	4,741	6	4,043	4
	83,046	41	83,730	45

(1) Includes one Portfolio Company whose fair value amounts to approximately $7,945 at December 31, 2021, and $17,664 at December 31, 2020 (see also Note 9(B)1).

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 strategic partner (the "Licensee") became a Trendlines shareholder upon the IPO of the Company. 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. In May 2019, Medical received an additional dividend distribution from the Portfolio Company in the amount of approximately $1,107, Medical's share of the cash consideration received from the Licensee.

   The fair value of this Portfolio Company at December 31, 2021 and 2020 is $7,945 and $17,664, respectively, which fair value is based on the DCF method. The decrease in fair value in 2021 of $9,719 is due principally to a reduction of forecasted revenues arising from the Product's updated staggered launch. Following are certain factors that could have a significant impact on the valuation.

   The Product is in a highly competitive market with significant barriers to entry. The leading manufacturers have been active in this market for a number of years and control an estimated 85%-90% of the market. The Product has certain advantages over the products of competitors and initial studies have shown that a product of this type has a high preference rate among current users.

   The Product has obtained regulatory clearance in certain major markets. In order for the Product to be successful, patients will need to be adequately reimbursed. The process of arranging to ensure adequate reimbursement requires time and could delay entry into markets.

   The Group is not aware of any existing product of competitors that incorporates the features of the Product. However, it is possible that an alternative product with such features or superior features is presently under development or could be developed and adversely affect the market share of the Product.

   The ultimate success of the Product in penetrating the market and achieving market share is dependent on, among others, an investment in significant resources and management commitment by the Licensee. The Licensee is a large multinational company with financial and other resources that the Group believes sufficient to support successful launch and commercialization of the Product. Also, the Licensee is a current player in the market with knowledge of the market and existing infrastructure to support sales of the Product. Neither the Group nor Stimatix have any control over the activities of the Licensee.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 9:- INVESTMENTS IN PORTFOLIO COMPANIES (Cont.)

B. Sale transactions (Cont.)

2. In April 2020, ApiFix Ltd. a Portfolio Company held by the Group was acquired by Nasdaq-traded OrthoPediatrics Corp. The Acquisition was signed and closed on 1 April 2020, and at this date Trendlines held 18.62% of ApiFix. At closing, ApiFix shareholders received an aggregate of 934,783 new common shares of OrthoPediatrics stock and $800 in cash, representing approximately $38,000 (based on the March 31, 2020 OrthoPediatrics closing share price of $39.64 per share). Additionally, guaranteed milestone payments ("Anniversary Payments"), in the form of cash, or cash and OrthoPediatrics common shares, will be made as follows: (i) $13,000, of which at least 25% will be paid in cash, on the second anniversary of the Closing Date, provided that such payment will be paid earlier if 150 clinical procedures using the ApiFix System are completed in the United States before such anniversary date; (ii) $8,000, of which at least 25% will be paid in cash, on the third anniversary of the Closing Date; and (iii) $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 June 30, 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"). The Company is entitled to its proportionate share of the consideration for the Acquisition, calculated at its fair value, based on its 18.62% interest in ApiFix at closing, or approximately $13,700.

The table below presents the Company's share of the consideration from the sale of ApiFix calculated at its fair value based on a valuation at the closing date in April 2020:

Closing Date Payment (a)	6,659
Second Year Anniversary Payment	2,086
Third Year Anniversary Payment	1,262
Fourth Year Anniversary Payment	1,397
Contingent Consideration based on Earnout	2,318
Total Consideration	$ 13,722

(a) Shares of OrthoPediatrics and $135 in cash

During October 2020, Trendlines sold all of its holdings in OrthoPediatrics shares at an amount of $9,001 resulting in a gain of $2,014. According to an updated valuation as of December 31, 2020, the Company recorded the Second Year Anniversary Payment in the amount of $2,141. Based on the updated valuation, the Company recorded the Third Year and Fourth Year Payments in the amount of $2,696 and recorded Contingent Consideration Receivable in an amount of $2,898. The changes in the Anniversary Payments from the closing date to December 31, 2020, were due to the accretion of interest.

The gain on the sale of the OrthoPediatrics shares and the income from the changes in the Anniversary Payments and Contingent Consideration Receivable in the aggregate amount of $2,686 in 2020 were recorded in Financial Income in profit or loss For the year ended December 31, 2020.

According to an updated valuation as of December 31, 2021, based on the agreement the Company recorded the Second Year Anniversary Payment in the amount of $2,175 in current Accounts and Other Receivables. Based on the updated valuation, the Company recorded the Third Year and Fourth Year Payments in the amount of $2,753 in non-current Accounts and Other Receivables and recorded Contingent Consideration Receivable of $6,599.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 9:- INVESTMENTS IN PORTFOLIO COMPANIES (Cont.)

B. Sale transactions (Cont.)

The assumptions underlying the calculation of the fair value of the contingent consideration at December 31, 2021, include forecasted revenue ($34,000), expected volatility of revenues (38%) and the weighted average cost of capital (14%). Material changes in these assumptions would have a significant impact on the fair value of the contingent consideration.

The income from the changes in the Anniversary Payments and Contingent Consideration Receivable in the aggregate amount of $3,792 is recorded in Financial Income in profit or loss For the year ended December 31, 2021.

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3. In November 2021, OrthoSpin Ltd. a Portfolio Company was acquired by Synthes GMBH (the orthopedics company of Johnson & Johnson) for a total of US$79,500 in cash, payable in full upon closing. The total net consideration attributable to Trendlines is US$16,000. An amount of US$13,652 was received during 2021, and the balance of $2,348 amount of an escrow payment is presented in Accounts and other receivables and is expected to be received during 2023, recorded in non-current Accounts and other receivables and is expected to be received during 2023.

C. Other information

As COVID-19 continues to make its impact around the world, so, too, has it affected The Group.

To date, the Group has not experienced material constraints to its activities, in part due to the Group's proactive mitigation strategies to avoid operational risks as well as the Group's efforts to manage the impact of the pandemic on various aspects of the Group's business and portfolio companies.

The Omircron variant of the COVID-19 virus is still widespread in Israel and around the world but is beginning to show signs of subsiding. Based on the experience of the past two years, and barring any unforeseen changes, the Group does not expect substantial impact from COVID-19 on its operations or those of the portfolio companies over the next 12 months. In fact, some limited international travel has begun and the Group hopes to be able to travel more extensively in 2022, especially to Singapore.

The Group proactively initiated communications very early on in the pandemic to express the Group's COVID-19 related efforts to investors and other stakeholders regarding the Company and portfolio companies. A principal concern of the Group's management remains the communication of important information to shareholders; accordingly, all investor relations efforts were shifted to digital platforms.

The Group's employees' health, safety, and well-being remain paramount, and the Group has supported its employees in every way it can. Each of the countries in which the Group operates has instituted rules and restrictions that the Group scrupulously adhere to and typically exceed with tighter restrictions and longer closures. The Group will continue to be highly focused on the physical and mental well-being of its staff, companies and all with whom it works.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 10:- IFRS 16, "Leases"

The Group companies lease their premises and vehicles for various periods, the latest of which ends in 2028.

Right of use assets

Cost:	
Balance as of January 1, 2020	2,720
Additions	485
Balance as of December 31, 2020	3,205
Additions	1,401
Balance as of December 31, 2021	4,606
Accumulated depreciation	
Balance as of January 1, 2020	474
Depreciation charge	609
Balance as of December 31, 2020	1,083
Depreciation charge	771
Balance as of December 31, 2021	1,854
Cost, net accumulated depreciation	
At January 1, 2020	2,246
At December 31, 2020	2,122
At December 31, 2021	2,752

a. Information on leases:

	Year ended December 31, 2021	Year ended December 31, 2020
Interest expense on lease liabilities	82	179
Total cash outflow for leases	866	650

b. Lease extension options:

The Company has leases that include extension options. These options provide flexibility in managing the leased assets and align with the Company's business needs.

The Company exercises significant judgement in deciding whether it is reasonably certain that the extension options will be exercised.

In leases of office space, the Company generally includes in the lease term the exercise of extension options existing in the lease agreements. In these leases, the Company 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.

c. For an analysis of maturity dates of lease liabilities, see Note 14A.

NOTES TO THE FINANCIAL STATEMENTS

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

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 Company, for the purpose of financing a part of the Company's participation in the Series C fund-raising round of Vensica Medical Ltd. ("Vensica"), a portfolio company of the Group. As of December 31, 2021, the Company received a loan amount of $233. The Loan will carry a fixed annual interest rate of 7% . As a security for the Loan, the Company 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 Company's payment obligation of the Loan and all accrued interest until an Exit Event (as defined in the Loan agreement), the Company had agreed to pay to Agriline 20% of the profits (if any) that the Company has made on the Pledged Shares pursuant to the Exit Event (based on the investment amount of US$700 being the principal amount of the Loan), but which shall in aggregate be capped at US$4,500 million (the "Additional Maximum Payment"). For the avoidance of any doubt, in the event the Company does not make any profit on the Pledged Shares pursuant to the Exit Event, there is no obligation on the Company to make the Additional Maximum Payment to Agriline.

During 2021, the Company received a $4,000 bank loan pledged by a deposit of $4,000 that will mature in January 2022. The bank loan was drawn down for working capital purposes. The loan bears a monthly interest rate of LIBOR + 3.5%.

NOTE 12:- TRADE AND OTHER PAYABLES

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Trade payables	350	48	26	-
Employees and payroll accruals	907	288	570	161
Accrued vacation pay	308	290	250	172
Accrued expenses	2,157	1,053	1077	252
Other payables	524	-	281	12
	4,246	1,679	2,204	597

NOTE 13:- LOANS FROM THE ISRAEL INNOVATION AUTHORITY

Composition of Loans from the IIA:

	The Group		The Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Old 8.3 Loans (see Note 16(A)(4))	519	773	384	-
Operation Loans (see Note 16(A)(5))	2,199	1,853	1,050	-
	2,718	2,626	1,434	-

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

A. Financial risk management objectives and policies:

The Group's activities expose it to various financial risks such as market 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 Company is exposed to market risk, and foreign currency risks. The Company'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 Company'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 Company'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.

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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 and share price risk. Financial instruments affected by market risk include, among others, cash and cash equivalents, bank deposits, lease liabilities and contingent consideration receivable.

The sensitivity analysis presented below relate to the positions as of December 31, 2021 and 2020. The sensitivity analysis for contingent consideration receivable is provided in Note 9(B)(2).

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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 Company'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 December 31, 2021, the Company has financial assets of cash and cash equivalents in NIS totaling approximately $2,835 (December 31, 2020: approximately $1,834).

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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
2020	5%	90
	(5%)	90
2021	5%	142
	(5%)	(142)

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 14:- FINANCIAL INSTRUMENTS (Cont,)

A. Financial risk management objectives and policies: (Cont.)

Share price risk:

The Group's investments in short-term deposits are sensitive to market price risk arising from uncertainties about the future value of certain underlying publicly traded shares and their corresponding effect on the interest to be earned on these deposits. The Group manages the price risk through the structured deal, which guarantee the principal of the investment.

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 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

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Liquidity risk:

The table below presents the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

The Group:

As of December 31, 2021:

	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	4,246	-	-	-	-	-	4,246
Short term loan	4,241	-	-	-	-	-	4,241
Lease liability	904	581	453	431	431	862	3,662
Other long-term liabilities	267	-	-	-	-	-	267
Loans from IIA *)	10,237	1,687	2,319	573	279	2,941	18,036
	19,895	2,268	2,772	1,004	710	3,803	30,452

NOTES TO THE FINANCIAL STATEMENTS

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: (Cont)

As of December 31, 2020:

	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	1,679	-	-	-	-	-	1,679
Lease liability	719	643	340	255	255	765	2,977
Loans from IIA *)	6,484	1,035	-	2,290	4,355	708	14,872
	8,882	1,678	340	2,545	4,610	1,473	19,528

The Company:

As of December 31, 2021:

	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	2,204	-	-	-	-	-	2,204
Short term loan	4,241	-	-	-	-	-	4,241
Loans from IIA *)	3,387	692	606	-	279	-	5,964
	5,928	692	606	-	279	-	8,505

As of December 31, 2020:

	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	597	–	–	–	–	–	597

*) 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.

NOTES TO THE FINANCIAL STATEMENTS

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 January 1, 2020	2,556	3,567	-
Additions	485	176	-
Repayments	(650)	(35)	-
Effect of changes in exchange rates	575	181	-
Effect of changes in fair value	-	(1,263)	-
Balance as of December 31, 2020	2,966	2,626	-
Balance as of January 1, 2021	2,966	2,626	-
Additions	1,401	193	4,233
Repayments	(866)	(43)	-
Interest	-	-	8
Effect of changes in exchange rates	(451)	89	-
Effect of changes in fair value	-	(147)	-
Balance as of December 31, 2021	3,050	2,718	4,241

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.

NOTE 15:- TAXES ON INCOME

A. Tax rates applicable to the Group:

The Israeli corporate tax rate is 23% in 2020 and 2021.

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 2015 tax year.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 15:- TAXES ON INCOME (Cont.)

C. Carry-forward losses for tax purposes:

Carry-forward operating tax losses of the Company and the Israeli subsidiaries total approximately $53,462 as of December 31, 2021. There is no expiration date for the utilization of the carry-forward losses. Deferred tax assets of $10,817 relating to these losses were recognized in the financial statements. The Carry forward losses in amount of $1,485 were not recognize in the respect of one subsidiary.

Deferred tax assets of $6,645 were recognized in 2020 in respect of carryforward losses of Trendlines Group due to a tax-free merger of Trendlines Group and Trendlines Incubators Israel that was deemed completed at December 31 ,2020. The merger enables Trendlines Group to utilize its carry-forward losses over an initial 10 year period, subject to certain limitations (and thereafter with no limitations), against taxable income arising from the future sales of portfolio investments which have been revalued for financial reporting purposes, and in respect of which deferred tax liabilities have been recorded.

D. Deferred taxes:

	Statements of financial position				Statements of profit or loss	
	The Group		The Company		Year ended December 31,	
	December 31,		December 31,			
	2021	2020	2021	2020	2021	2020
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	10,256	11,381	10,427	-	1,125	(6,187)
Loans from IIA	3,406	3,306	415	-	100	556
	13,662	14,687	10,842	-	1,025	(5,631)
Deferred tax assets:						
Carry-forward tax losses	10,817	8,626	8,613	6,645	2,191	(3,708)
Deferred revenues	322	131	-	-	191	494
Other	366	418	-	-	(51)	(152)
	11,506	9,175	8,613	6,645	2,330	(3,365)
Deferred tax expense (benefit)					(3,355)	(8,996)
Deferred tax liabilities, net	2,156	5,512	2,230	6,645		

The deferred taxes are computed at the tax rate of 23% based on the tax rates that are expected to apply upon realization.

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:

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 15:- TAXES ON INCOME (Cont.)

E. Theoretical tax: (Cont.)

	Year ended December 31,	
	2021	**2020**
Income (loss) before income taxes	2,645	(12,947)
Statutory tax rate	23%	23%
Tax computed at the statutory tax rate	608	(2,978)
Increase (decrease) in taxes on income resulting from the following:		
Unrecognized temporary differences	-	38
Non-taxable income	(3,140)	-
Increase in unrecognized tax losses	694	511
Differences in measurement basis	(1,382)	(445)
Utilization of previously unrecognized tax losses	(228)	(6,645)
Non-deductible expenses for tax purposes	64	60
Other	29	463
Tax benefit	(3,355)	(8,996)

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.

NOTES TO THE FINANCIAL STATEMENTS

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.)

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)

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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).

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NOTES TO THE FINANCIAL STATEMENTS

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.)

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) December 31, 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 December 31 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 16:- COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES (Cont.)

A. Agtech - Incubator operating under the IIA Regulations (Cont.)

5. Return of Loans for Incubator Operations (Cont.)

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., September 1, 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 December 31, 2021, 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 Incubator 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.

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 August 31, 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

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NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 16:- COMMITMENTS, PLEDGES AND CONTINGENT LIABILITIES (Cont.)

B. Other

In January 2018, a claim was filed against the Company 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 Company 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 filed to the court for its formal approval. The Company, based on the advice of its legal counsel, does not foresee any obstacles to the court's approval.
Accordingly, a provision for the settlement amount has been recorded in the 2021 consolidated financial statements.

NOTE 17:- EQUITY

A. Composition of Equity

	December 31, 2021		December 31, 2020	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares			
Ordinary shares NIS 0.01 par value	1,500,000,000	791,191,382	1,500,000,000	791,191,382

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.

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 December 31,	
	2021	2020
Operating, general and administrative expenses	222	242
R&D expenses	30	57
	252	299

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:

In 2011, the Company 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 November 11, 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.

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The Exercise Price for each Grantee shall be as determined by 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.

On February 27, 2020, the Company's board of directors approved the grant of 7,048,000 options to purchase 7,048,000 Ordinary shares of the Company to employees of the Company at an exercise price of S$0.1134 (approximately $0.08) per share. The grant date fair value of the options in the amount of $375 was determined using the binomial option pricing model.

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 June 20, 2020, the Company's board of directors approved the grant of 7,911,914 options to purchase 7,911,914 Ordinary shares of the Company to employees of the Company at an exercise price of S$0.1132 (approximately $0.08) per share. The grant date fair value of the options in the amount of $476 was determined using the binomial option pricing model.

On December 21, 2021, the Company's board of directors approved the grant of 21,550,000 options to purchase 21,550,000 Ordinary shares of the Company to employees of the Company at an exercise price of S$0.1064 (approximately $0.08) per share. The grant date fair value of the options in the amount of $766 was determined using the binomial option pricing model.

The fair value for options granted during 2021 and 2020 was estimated using the binomial option pricing model with the following assumptions:

	2021	2020
Dividend yield (%)	0	0
Expected volatility of the share price (%)	42	41-49
Risk-free interest rate (%)	0.69-1.54	0.23-1.46
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:

	December 31, 2021		December 31, 2020	
	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	66,000,915	0.12	51,267,668	0.13
Issuance of options during the year	21,550,000	0.07	14,959,914	0.08
Options expired during the year	(10,283,287)	0.13	(226,667)	0.07
Options outstanding at end of year	77,267,628	0.10	66,000,915	0.12
Options exercisable at end of year	49,002,145	0.11	49,038,801	0.13

D. The weighted average remaining contractual life for the share options outstanding as of December 31, 2021 was 5.28 years (as of December 31, 2020 – 5.26 years).

E. The range of exercise prices for share options outstanding as of December 31, 2021 and December 31, 2020, was $0.07 - $0.13.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 19:- SELECTED STATEMENTS OF OPERATIONS DATA

A. Operating general and administrative expenses

	Year ended December 31,	
	2021	2020
Salaries and related expenses (including share-based payment)	7,342	4,610
Professional services	1,741	1,551
Consulting	851	950
Communications and offices	559	400
Vehicle expenses	127	47
Travel abroad	83	69
Depreciation	1,102	1,694
Issuance expenses of aborted initial public offering	313	-
Miscellaneous	212	404
Less – grants received from ESG	(1,205)	(1,788)
	11,125	7,937

B. R&D expenses, net

Salaries and related expenses (including share-based payment)	1,165	810
Subcontractors and materials	492	507
Others	100	262
Less – grants received from ESG	(247)	(492)
	1,510	1,087

C. Financial expenses

Exchange rate differences	155	681
Financial expenses from revaluation of loans from the IIA	153	-
Interest on deposits, net	124	-
Interest related to lease liability	82	179
	514	860

D. Financial income

Interest on deposits, net	22	129
Financial income related to receivable from the sale of ApiFix from sale of ApiFix (see Note 9(B)(2)	91	-
Financial income related to Contingent consideration from sale of ApiFix (see Note 9(B)(2)	3,701	2,686
Financial income from revaluation of loans from the IIA	446	1,118
	4,260	3,933

NOTES TO THE FINANCIAL STATEMENTS

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

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 December 31,			
	2021		2020	
	Weighted number of shares	Net Income attributable to equity holders of the Company	Weighted number of shares	Net loss 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	791,191	6,563	791,191	(3,734)
Effect of potential dilutive Ordinary shares	–	–	–	–
For the computation of diluted net earnings	791,191	6,563	791,191	(3,734)

B. For the computation of diluted net earnings per share for the years ended December 31, 2021 and 2020, 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).

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 SGD250) and Proof-of-Value (POV for total of SGD500) 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 $182).

Total grants received and recognized in the Singaporean subsidiaries incubated by Trendlines Medical Singapore are SGD$1,495 (approximately US$1,131) and SGD$950 (approximately US$704) for the years ended December 31, 2021 and 2020, respectively.

Trendlines Medical Singapore received in 2020 ESG grant amounts to approximately SGD$514 (approximately $390) and also received an additional grant from ESG to support its Labs Singapore activity in 2020. The grant received in 2020 amounts to approximately SGD$2,450 (approximately $185). This grant, known as the Enterprise Development 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 awarded to Trendlines Medical Singapore over three years amounts to SGD$1,240 (approximately $868).

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 21:- GRANTS RECEIVED IN SINGAPORE (Cont.)

During 2020, ESG has approved a grant to Trendlines Agrifood Innovation Centre to support its activity in 2020. 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 2020 is SGD$472 (approximately $357). In addition, AFIC received Government job support grant in amount of approximately SGD$34 (approximately $26).

During 2021 ESG has approved a grant to Trendlines Medical Singapore Centre. The IFT total grant received in 2021 is SGD$54 (approximately $40). In addition, there were other grants in the amount of approximately SGD$71 (approximately $52).

During 2021, ESG has approved a grant to Trendlines Agrifood Innovation Centre to support its activity in 2021. 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 2021 is SGD$335 (approximately $248). In addition, AFIC received a government job support grant ofSGD$4 (approximately $3).

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	
Asset:	**December 31, 2021**	**December 31, 2020**
Accounts and other receivables	348	104
Short-term loans	287	19
	The Group	
	Related Party	
Liabilities:	**December 31, 2021**	**December 31, 2020**
Loan (1)	233	-

(1) See note 11 for former information regarding the loan.

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.)

2. The following table summarizes the transactions with related parties in the consolidated statements of profit or loss and other comprehensive income:

	Year ended December 31,			
	2021		2020	
	Portfolio Companies	Associates and other related parties	Portfolio Companies	Associates and other related parties
Income from services to Portfolio Companies	1,542	–	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:

	Year ended December 31,	
	2021	2020
Salaries and related expenses	3,124	2,813
Share-based payment	232	241
	3,356	3,054

NOTE 23:- EVENTS AFTER REPORTING DATE

During January 2022, The Company 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. Estimated fees and expenses in relation to the Subscription are approximately S$0.2 million. The first installment is to be paid five days business after the approval by the shareholders at the SGM (scheduled for March 4, 2022), the second installment is scheduled for April 1, 2022, and then every 3 months until the eighth installment on October 1, 2023.

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STATISTICS OF SHAREHOLDING

AS AT 9 FEBRUARY 2022

Issued and fully paid-up capital:	US$81,412,708
Number of issued shares:	791,191,382
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 9 February 2022, approximately 52.27 % 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	5	0.40	128	0.00
100 - 1,000	45	3.65	21,800	0.00
1,001 - 10,000	191	15.48	1,480,280	0.19
10,001 - 1,000,000	938	76.01	28,260,065	16.21
1,000,001 AND ABOVE	55	4.46	661,429,109	83.60
Total	**1,234**	**100.00**	**791,191,382**	**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

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% of Shares
1	Librae Holdings	182,236,191	23.03
2	Zeev Bronfeld	72,732,416	9.19
3	BNY Mellon as the ADSs Depositary Bank*	59,515,871	7.52
4	Amos & Daughters Investments & Properties	39,182,452	4.95
5	B. Braun Melsungen	25,744,000	3.25
6	David Todd Dollinger	19,619,562	2.48
7	Stephen Louis Rhodes	19,619,562	2.48
8	Asdew Acquisitions	18,350,000	2.32
9	Morph Investments	16,550,000	2.09
10	Lachman Family Limited Partnership	14,704,745	1.86
11	Wang Yu Huei	10,383,600	1.31
12	Lee Hoo Leng	8,600,000	1.09
13	Lo Tak Meng	5,889,600	0.74
14	Suan Aik Boon	5,776,800	0.73
15	Lee Lai Heng Brian	5,198,100	0.66
16	Hangzhou North America Sheng Yin Investment Partnership	4,972,032	0.63
17	Lim Chin Choo Elizabeth	4,685,400	0.59
18	Lim Tiong Kheng Steven	4,129,600	0.52
19	Ezra S. Goldman Revocable Trust	3,911,136	0.49
20	Lim Seng Chiang	3,860,000	0.49
	Total	**525,661,067**	**66.42**

* The underlying ADSs (American Depositary Shares) held under BNY Mellon includes (i) DBS Nominees (Private) Limited holding 1,177,365 ADSs representing 58,868,271 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	182,236,191	23.03	–	–	182,236,191	23.03
ZEEV BRONFELD	72,732,416	9.19	–	–	72,732,416	9.19
BNY MELLON as the ADSs DEPOSITARY BANK	59,515,871	7.52	–	–	59,515,871	7.52

Notes:

(1) Percentage is calculated based on total issued shares of the Company less treasury shares and subsidiary holdings, if any (i.e. 791,191,382).

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 2021 (the "**FY2021**") (the "**AGM**") will be convened and held by way of electronic means on Wednesday, 13 April 2022 at 3.00 p.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 2021 together with the Auditors' Report thereon.

2. To note the retirement of Professor Stephen Philip Haslett as a Director of the Company pursuant to Articles 40(c) and (d) of the Company's Articles of Association at the conclusion of this AGM.
[See Explanatory Note (i)]

3. Subject to obtaining a waiver from the Singapore Exchange Regulation Pte. Ltd. prior to the date of the AGM, to appoint Messrs. Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent external auditors of the Company to hold office until the consummation of the Company's next AGM and to authorise the Directors of the Company ("**Directors**") to fix their remuneration and alternatively in the event that such waiver is not received by the date of the AGM, to appoint Messrs. Ernst & Young LLP (Singapore) as the independent external auditors of the Company in place of the retiring auditors, Messrs. Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, to hold office until the consummation of the Company's next AGM and to authorise the Directors to fix their remuneration.
[See Explanatory Note (ii)] **[RESOLUTION 1]**

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);

NOTICE OF ANNUAL GENERAL MEETING

(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 (iii)] **[RESOLUTION 2]**

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.

Haim Brosh
Joint Company Secretaries
8 March 2022

Explanatory Note(s):

(i) Professor Stephen Philip Haslett, who is retiring pursuant to Articles 40(c) and (d) of the Company's Articles of Association, will not be seeking re-election as a Director of the Company at this AGM. Accordingly, Professor Haslett will retire as a Director of the Company at the conclusion of this AGM, and he will also cease as the Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee.

(ii) With respect to Ordinary Resolution 1 proposed in item 3 above, the Company intends to submit an application to the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") to request for a waiver to comply with Rule 712(2A) ofthe Catalist Rules which will allow the Company to continue to propose the appointment of Messrs. Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent external auditors of the Company (the "**Waiver Application**").

The Company will publish on the SGXNet an update to the shareholders on such Waiver Application in due course. To the extent that the waiver is not obtained until the AGM, the Company will propose to appoint Messrs. Ernst & Young LLP ("**EY Singapore**") as detailed below. In the event that the Company receives the waiver, Ordinary Resolution 1 proposed in item 3 above is to propose the appointment of Messrs. Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent external auditors of the Company to hold office until the consummation of the Company's next AGM and to authorise the Directors to fix their remuneration.

If such waiver is not received from the SGX RegCo until the AGM, Ordinary Resolution 1 proposed in item 3 above is to propose the appointment of EY Singapore as the independent external auditors of the Company in place of the retiring auditors, Messrs. Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, and to authorise the Directors to fix their remuneration for the current financial year ending 31 December 2022 (the "**Proposed Change of Auditors**").

NOTICE OF ANNUAL GENERAL MEETING

The Proposed Change of Auditors, in the event that the waiver from the SGX RegCo is not received until the AGM, is for the purpose of compliance with the following requirements under the Catalist Rules:

(a) Rule 712(2A) of the Catalist Rule states that an issuer that appoints an auditing firm that meets the requirements in Rule 712(2)(b) must also appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) to jointly audit its financial statements.

(b)Pursuant to the Rule 712(2)(a) of the Catalist Rule, the Company must appoint an auditor approved under the Accountants Act and the audit partner-in-charge assigned to the audit must be a public accountant under the Accountants Act.

Messrs. Kost Forer Gabbay & Kasierer has served as independent external auditors of the Company since 2007.

Under Rule 712(2), the Catalist Rules requires:

"(2) The auditing firm appointed by the issuer must be:

(a) Approved under the Accountants Act. The audit partner-in-charge assigned to the audit must be a public accountant under the Accountants Act,

(b) Approved by, registered with and/or regulated by an independent audit oversight body acceptable to the Exchange. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies. Where applicable, the audit partner-in- charge assigned to the audit should be approved by, registered with or regulated by a relevant audit oversight body acceptable to the Exchange, or

(c) Any other auditing firm acceptable by the Exchange."

In addition, Rule 712(2A) requires:

"(2A) An issuer that appoints an auditing firm that meets the requirements in Rule 712(2)(b) must also appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) to jointly audit its financial statements."

EY Singapore, registered with the Accounting and Corporate Authority of Singapore, is one of the largest professional service firms in Singapore, and is among the Big Four accounting firms in Singapore. EY Singapore has more than 130 years of experience providing audit, tax and professional services to the Singapore and global markets and employs more than 284,000 people globally. EY Singapore has relevant industry experience with audit clients in the industry which the Company is in. More information about EY Singapore, its values and its services can be found at https://www.ey.com

<u>Requirement under Rule 712(2) of the Catalist Rule</u>

The Audit Committee ("**AC**") has recommended to the Board the appointment of EY Singapore, an audit firm in Singapore, which is an audit firm approved under the Accountants Act and is also a member of the International Forum of Independent Audit Regulators that will meet the above-mentioned requirements under the Catalist Rule. The audit partner-in-charge is a public accountant under the Accounting Act and is registered with the Accounting and Corporate Regulatory Authority in Singapore, a relevant audit oversight body acceptable to the Exchange.

The AC and Board, having taken into account 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 will be able to meet the audit requirements of the Group and will not compromise the standard and effectiveness of the audit of the Company and the Group.

<u>Requirement under Rule 712(3) of the Catalist Rule</u>

The appointment of EY Singapore as the Company's new independent external auditors must be specifically approved by shareholders at a general meeting.

EY Singapore has given their consent to be appointed as independent external auditors of the Company, subject to the approval of the shareholders at the AGM. The appointment of EY Singapore will take effect upon the approval of the shareholders at the AGM and, if appointed, EY Singapore will hold office until the conclusion of the next AGM.

Accordingly, Messrs. Kost Forer Gabbay & Kasierer will not be seeking re-appointment at the AGM.

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The Company has complied with Rule 715 of the Catalist Rule

In accordance with Rule 712(3) of the Catalist Rules:

(a) the outgoing Auditor, Messrs. Kost Forer Gabbay & Kasierer, has given their professional clearance to EY Singapore confirming that they are not aware of any professional reasons why EY Singapore should not accept appointment as Auditor of the Company;

(b) the Company confirms that there were no disagreements with Messrs. Kost Forer Gabbay & Kasierer on accounting treatments within the last 12 months;

(c) the Company confirms that it is not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of shareholders of the Company, which has not been disclosed above;

(d) the specific reason for the proposed change of Auditors has been disclosed above. The proposed change of Auditors is neither due to the resignation of Messrs. Kost Forer Gabbay & Kasierer as Auditors of the Company, Messrs. Kost Forer Gabbay & Kasierer declining to stand for re-appointment nor the dismissal of Messrs. Kost Forer Gabbay & Kasierer as Auditors of the Company; and

(e) the Directors confirm that the Company has complied with Rule 712 and 715 of the Catalist Rules in relation to the proposed appointment of EY Singapore as the Company's new Auditors.

(iii) Ordinary Resolution 2 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.

(iv) Ordinary Resolution 1 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 5 April 2022, 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.**

(v) For information relating to the compensation of our top five most highly compensated office holders with respect to the FY2021, please refer to principle 8 in the Corporate Governance Report in our Annual Report for FY2021.

NOTES:

1. The AGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will **not** be able to attend the AGM in person.

   Printed copies of this Notice of AGM will not be sent to shareholders, instead, this Notice of AGM will be sent to shareholders by way of electronic means via publication on the SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.trendlines.com/investors/investors-news.

   Alternative arrangements have been put in place to allow shareholders to participate at the AGM by:

   (a) observing and/or listening to the AGM proceedings via the live audio-visual webcast and live audio-only stream (***Live Webcast***);

   (b) submitting questions relating to the resolutions to be tabled at the AGM, to the Chairman of the AGM in advance of the AGM;

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(c) submitting text-based questions during the Live Webcast of the AGM by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box;

(d) appointing proxy(ies) or the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM; and

(e) participating in the live voting during the Live Webcast of the AGM.

2. Pre-registration for the AGM

Shareholders, proxyholders and persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, 1967 of Singapore), including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors will be able to observe and/or listen to the AGM proceedings through the Live Webcast via their mobile phones, tablets or computers.

All shareholders, proxyholders, CPF and SRS investors who wish to attend the AGM must pre-register via the pre-registration website at https://conveneagm.sg/Trendlines_AGM for verification purposes **by 3.00 p.m. on 11 April 2022**, being 48 hours before the time fixed for the AGM.

Shareholders who are appointing proxyholder(s) to attend the AGM should inform his/her proxyholder(s) to pre-register via the pre-registration website at https://conveneagm.sg/Trendlines_AGM **by 3.00 p.m. on 11 April 2022**, being 48 hours before the time fixed for the AGM, failing which the appointment shall be invalid.

Authenticated shareholders, proxyholders and CPF and SRS investors will be provided with a confirmation email for the AGM containing details as well as instructions on attending the AGM (the "**Confirmation Email**"), via the e-mail address provided during pre-registration.

Shareholders, proxyholders, CPF and SRS investors who have pre-registered by **by 3.00 p.m. on 11 April 2022** deadline but have not received the Confirmation Email **by 3.00 p.m. on 12 April 2022** should immediately contact support@conveneagm.com.

3. Question and answer

Shareholders, proxyholders, CPF and SRS investors attending the AGM via the Live Webcast will be able to ask questions during the AGM by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.

Shareholders, proxyholders and CPF and SRS investors are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner no later than seven (7) working days in advance of the AGM (i.e. **by 3.00 p.m. on 1 April 2022**):

(a) **By e-mail** to Mr. Haim Brosh, Joint Company Secretary, at haim@trendlines.com; or

(b) **if submitted by post**, to be deposited at 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).

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit questions by post, shareholders are strongly encouraged to submit their questions electronically via email.

The Company will endeavour to address the substantial and relevant questions received from shareholders in advance of the AGM by publishing its responses on SGXNet and the Company's website at https://www.trendlines.com no later than three (3) days prior to the AGM. The Company's responses to other questions addressed during the Live Webcast of 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.

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In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including any precautionary measures required or recommended by the government or any regulatory bodies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the AGM.

4. The form of an instrument appointing a proxy ("**Proxy Form**"), which may be used to vote at the AGM, is released together with this Notice of AGM.

5. Voting

Live voting will be conducted during the AGM for shareholders and proxyholders attending the AGM via the Live Webcast. It is important for shareholders and proxyholders to have their own web-browser enabled devices ready for voting during the AGM.

Shareholders and proxyholders will be required to log-in via the login credentials created during pre-registration to attend and participate in the Live Webcast of the AGM.

(a) **Live voting:** Shareholders and proxyholders attending the AGM may cast their votes in real time for each resolution to be tabled at the AGM via the Live Webcast. Shareholders and proxyholders will have the opportunity to cast their votes via the Live Voting feature. Shareholders and proxyholders must have a web-browser enabled device in order to cast their vote.

(b) **Voting via appointing proxy(ies) or the Chairman of the AGM as proxy**: As an alternative to the above, shareholders may also vote at the AGM by appointing proxy(ies) or the Chairman of the AGM as proxy to vote on their behalf. Please refer to paragraph 6 below for information on the submission of Proxy Forms.

A shareholder, who has submitted a Proxy Form, but wishes to attend and participate in the Live Voting during the AGM instead, must inform the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5335 (during office hours) or at srs.teamb@boardroomlimited.com by **3.00 p.m. on 12 April 2022**. Alternatively, kindly log-in prior to the commencement of the AGM as proxy revocation is not allowed after the AGM has started.

6. Appointment of Proxies

Shareholders who wish to vote at the AGM via a proxy(ies) must submit the Proxy Form, which is released together with this Notice of AGM, 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 in accordance with the instructions printed thereon not less than forty eight (48) hours before the time appointed for the AGM (i.e. **by 3.00 p.m. on 11 April 2022**) in the following manner:

(a) **By Post**: To be deposited 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

(b) **Via e-mail**: To be emailed to Mr. Haim Brosh, Joint Company Secretary, at CompanySecretary@trendlines.com. or, via the online process through the pre-registration website at the URL: https://conveneagm.sg/Trendlines_AGM.

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.
A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit the completed Proxy Forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

7. Relevant Intermediaries
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 who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through the Live Webcast; (b) submitting questions in advance of the AGM; (c) submitting questions during the AGM and/or (d) voting at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

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In addition, CPF and SRS investors:

(a) may vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they 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 5.00 p.m. on 1 April 2022**) 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.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) or the Chairman of the AGM as proxy 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) for the purpose of the processing and administration by the Company (or its agents) of the appointment of proxy(ies) or the Chairman of the AGM as proxy 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) 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) to the Company (or its agents), the shareholder or Depositor has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) 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/PassportNo./Company Registration No.) ______________________
of ____(Address)
being a shareholder/shareholders of The Trendlines Group Ltd. ("**Company**"), hereby appoint:

Name	Address	NRIC/ Passport Number	Email Address***	Proportion of Shareholdings (%)	
				No. of Shares	%

and/or****

Name	Address	NRIC/ Passport Number	Email Address***	Proportion of Shareholdings (%)	
				No. of Shares	%

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 convened and held by way of electronic means on **Wednesday, 13 April 2022 at 3.00 p.m. (Singapore time)**.

I/We direct my/our proxy to vote for or against or abstain from the ordinary resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting for a particular resolution is given:

(a) (in the case of the appointment of the Chairman of the AGM as my/our proxy), such appointment of the Chairman as my/our proxy for that resolution will be treated as invalid; and

(b) (in the case of the appointment of anyone other than the Chairman of the AGM as my/our proxy), the proxy(ies) will vote or abstain from voting at his/her/their discretion.

No.	Resolution	For[1]	Against[1]	Abstain[1]
1.	Subject to obtaining a waiver from the Singapore Exchange Regulation Pte. Ltd. prior to the date of the AGM, to appoint Messrs. Kost Forer Gabbay & Kasierer, as independent external auditors of the Company and to authorise the Directors of the Company to fix their remuneration; Alternatively in the event that such waiver is not received by the date of the AGM, to appoint Messrs. Ernst & Young LLP (Singapore) as the independent external auditors of the Company and to authorise the Directors to fix their remuneration.			
2.	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.*

*** *Compulsory for registration purposes. All shareholders and proxyholders who wish to attend and participate in the Live Webcast of the AGM must pre-register via the pre-registration website. Authenticated shareholders and proxy(ies) will be provided with a confirmation email for the AGM containing details, as well as instructions on attending the AGM (the "**Confirmation Email**"), via the email address provided during pre-registration.*

**** *Delete as appropriate.*

Dated this ____________ day of ______________________ 2022

Total Number of Shares Held

____
Signature(s) of Shareholder(s) or Common Seal

IMPORTANT:
PLEASE READ NOTES BELOW OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes

1. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the AGM in person. A shareholder (whether individual or corporate) may vote live at the AGM by electronic means or submit this Proxy Form to appoint proxy(ies) or the Chairman of the AGM as his/her/its proxy to attend and vote on his/her/its behalf at the AGM, if such shareholder wishes to exercise his/her/its rights at the AGM.

2. 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.

3. This proxy form may be accessed at the SGXNet. 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.

   Please note that where a proxy or proxies has/have been appointed by a shareholder, such shareholder will not be able to vote at the AGM. A shareholder, who has submitted a Proxy Form, but wishes to attend and participate in the Live voting during the SGM instead, must inform the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5335 (during office hours) or at srs.teamb@boardroomlimited.com **by 3.00 p.m. on 12 April 2022**. Alternatively, kindly log-in prior to the commencement of the AGM as proxy revocation is not allowed after the AGM has started.

4. A shareholder who wishes to submit an instrument of proxy must first download, 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 Mr. Haim Brosh, Joint Company Secretary, at CompanySecretary@trendlines.com not less than forty eight (48) hours before the time appointed for the AGM (i.e. **by 3.00 p.m. on 11 April 2022**). 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.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit the completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

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:

   (a) may vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy 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 5.00 p.m. on 1 April 2022**) 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 **close of business on 5 April 2022, 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) or the Chairman of the AGM as proxy 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) for the purpose of the processing and administration by the Company (or its agents) of the appointment of proxy(ies) and/or the Chairman of the AGM as proxy 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) 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) to the Company (or its agents), the shareholder or Depositor has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) 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.

trendlines
medical • agrifood • labs

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