trendlines

ANNUAL REPORT 2022

THE TRENDLINES GROUP LTD.

INVESTING TO
IMPROVE THE HUMAN CONDITION


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PickApp
TARANIS
agrivest
trendlines
Greensoil

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 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg

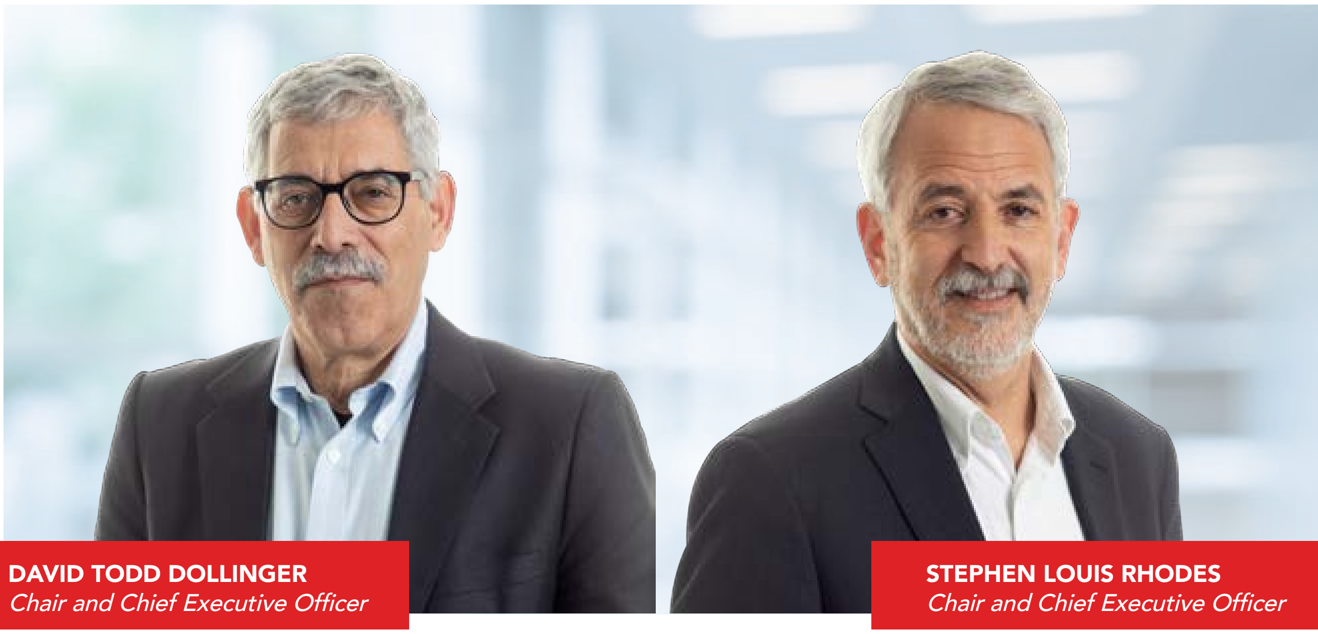
Shortened Forms & Acronyms in this Annual Report

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 2020 ("FY2020")
Financial Year Ending 31 December 2021 ("FY2021")
Financial Year Ending 31 December 2022 ("FY2022")
First in Human ("FIH")
Frequently Asked Questions ("FAQs")
General and Administrative ("G&A")
General Partner ("GP")
Global Reporting Initiative ("GRI")
International Financial Reporting Standards ("IFRS")
Initial Public Offering ("IPO")
Intellectual Property ("IP")
Internal Rate of Return ("IRR")
Israel Innovation Authority ("IIA")
Johnson & Johnson Innovation – JJDC, Inc. ("JJDC")
Librae Holdings Limited ("LH")
Maryland/Israel Trendlines Fund GP LLC ("Maryland GP")
Maryland/Israel Trendlines Fund L.P. ("M/ITF")
Memorandum of Understanding ("MOU")
Merger and Acquisition ("M&A")
Net Asset Value ("NAV")
OTCQX Market ("OTCQX®," a trademark of the OTC Markets Group Inc.)
PrimePartners Corporate Finance Holdings Pte. Ltd. ("PrimePartners Holdings")
Profit and Loss ("P&L")
Redeemable Convertible Loan ("RCL")
Research and Development ("R&D")
Singapore Dollar ("SGD")
Singapore Exchange Limited ("SGX")
Singapore Israel Industrial Research and Development Foundation ("SIIRD")
Special General Meeting ("SGM")
Task Force on Climate-related Financial Disclosures ("TFCD")
The Trendlines Group Ltd. ("Trendlines" or the "Company," and together with its subsidiaries, the "Group" or "The Trendlines Group")
Trendlines Agrifood Fund Pte. Ltd. ("Trendlines Agrifood Fund")
Trendlines Agrifood Innovation Centre Pte. Ltd. ("Trendlines Agrifood Innovation Centre" or "AFIC")
Trendlines Agtech Ltd. ("Ag Fund GP")
Trendlines International Ltd. ("Trendlines International")
Trendlines Investments Israel Ltd. ("Trendlines Investments", previously Trendlines Agtech-Mofet Ltd.)
Trendlines Medical Singapore Pte. Ltd. ("Trendlines Medical Singapore")
Vice President ("VP")
United Nations Sustainable Development Goals ("UN SDGs")
United States of America ("US")

Trendlines' Portfolio Companies Shortened Forms

AgriG8 Pte. Ltd. ("AgriG8")
AgroScout Ltd. ("AgroScout")
AgwaFarm Ltd. ("Agwa")
AlgaHealth Ltd. ("AlgaHealth")
ApiFix Ltd. ("ApiFix")
AquiNovo Ltd. ("AquiNovo")
Arcuro Medical Ltd. ("Arcuro")
Avir Medical Pte. Ltd. ("Avir")
Ayzer Sense Pte. Ltd. ("Ayzer Sense")
BeCapio Ltd. ("BeCapio")
BioFishency Ltd. ("BioFishency")
Celleste Bio Ltd. ("Celleste")
Ceretrieve Ltd. ("Ceretrieve")
Continale Medical Pte. Ltd. ("Continale")
CoreBone Ltd. ("CoreBone")
Dayso Ltd. ("Dayso")
Dermacut Medical Pte. Ltd. ("Dermacut")
EcoPhage Ltd. ("EcoPhage")
ElastiMed Ltd. ("ElastiMed")
EndoSiQ Pte. Ltd. ("EndoSiQ")
Equinom Ltd. ("Equinom")
Escala Medical Ltd. ("Escala")
Fidmi Medical Ltd. ("Fidmi")
FruitSpec Ltd. ("FruitSpec")
Gordian Surgical Ltd. ("Gordian")
GreenSpense Ltd. ("GreenSpense")
Hargol FoodTech Ltd. ("Hargol")
Harp Diagnostics Ltd. ("Harp")
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")
Magdent Ltd. ("Magdent")
Medulla Pro Pte. Ltd. ("Medulla")
MetoMotion Ltd. ("MetoMotion")
miRobot Ltd. ("miRobot")
Mycovation Pte. Ltd. ("Mycovation")
NasoTrak Medical Pte. Ltd. ("NasoTrak")
NICE Surgical Pte. Ltd. ("NICE")
OccuTrack Medical Solutions Pte. Ltd. ("OccuTrack")
Omeq Medical Ltd. ("Omeq")
OrthoSpin Ltd. ("OrthoSpin")
Peptobiotics Ltd. ("Peptobiotics")
Phytolon Ltd. ("Phytolon")
PlanetWatchers Inc. ("PlanetWatchers")
PregnanTech Ltd. ("PregnanTech")
ProArc Medical Ltd. ("ProArc")
ProJini Agchem Ltd. ("ProJini")
Saturas Ltd. ("Saturas")
Seger Surgical Ltd. (Seger")
SenterCare Ltd. ("SenterCare")
SetBone Medical Ltd. ("SetBone")
Solveat Ltd. ("Solveat")
Sol Chip Ltd. ("Sol Chip")
STeP Pte. Ltd. ("STeP")
STFix Ltd. ("STFix")
Stimatix G.I. Ltd. ("Stimatix")
S.T.S. Medical Ltd. ("ST Stent")
Szone Medical Pte. Ltd. ("Szone")
TendonPlus Medical Pte. Ltd. ("TendonPlus")
TierraSpec Ltd. ("TierraSpec")
Vensica Therapeutics Ltd. ("Vensica")
Vessi Medical Ltd. ("Vessi")
ViAqua Therapeutics Ltd. ("ViAqua")
VisageX Ltd. ("VisageX")
ZygoFix Ltd. ("ZygoFix")

Chairs' Statement



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 year ended 31 December 2022.

KEY ADDITIONAL FINANCIAL INFORMATION

We are often asked to provide more information on the breakdown of our portfolio value. In balancing our desire for greater transparency, while not disclosing sensitive information that may be disadvantageous to our portfolio companies, we have now decided to provide additional information in our reporting.

As you can see on the facing page, we have categorized our portfolio of 56 companies into 12 "clusters" of companies based on the nature of their underlying business activities. We have shared the total value of Trendlines' share of the cluster companies, using the IFRS fair market value as reported in our financial statements, allowing additional visibility into the underlying dynamics of our portfolio.

In addition to providing the fair market values for each cluster, we are, for the first time, sharing non-IFRS information for the clusters. We use this non-IFRS information internally to assess our business as well as for internal strategic decision-making and identifying future impact our portfolio companies may have on our results. The values do not represent any forecast or future performance, but rather as an extra aid for the reader in understanding our view of our portfolio companies. Given our use of non-IFRS information, we believe that such information may be important to investors as seen through the eyes of management. This non-IFRS information is neither prepared in accordance with GAAP nor is it intended to be a replacement for GAAP financial data, and should be reviewed together with GAAP measures and may be different from non-GAAP measures used by other companies.

As can be seen in Table 1 below, the fair market value of our portfolio as at 31 December 2022 was US$89.8 million, while the non-IFRS measurement was US$146.6 million.

The additional non-IFRS information is explained in more detail in the notes below the table, two adjustment examples help clarify their nature. The first includes the valuations of companies that are currently consolidated in our financial statements; our eight Singaporean medical portfolio companies (Medulla, Dermcut, NasoTrak, AyzerSense, OccuTrack, TendonPlus, NICE, and STeP) are consolidated for financial reporting purposes and not presented at fair value in accordance with IFRS; they are included at cost in the non-IFRS information.

The second significant adjustment factor is the elimination of the valuation discount that we apply to the value of ordinary share holdings, using accepted valuation models such as the Options Pricing Model, when subsequent investments made by external investors are in preferred shares. While this discount correctly represents the fair value of our holdings in the portfolio companies, our experience to date from our previous 10 exits, has been that the valuations of the ordinary shares upon exit were large enough to eliminate the discounts in relation to the preferred shares. Accordingly, presenting this non-IFRS adjustment provides valuable information to investors seeking to better understand the Trendlines story and value.

The non-IFRS fair value information does not represent any forecast or future performance but serves as an extra aid in evaluating our portfolio companies and investment approaches.

STRATEGIC TRANSFORMATION PLAN

In our 2021 annual report, we asked the critical question "is the Trendlines business model working?" and we answered with a resounding "yes". We pointed out that, at the time, we had some 12 more-advanced stage portfolio companies, and

Chairs' Statement

we noted that the number of mature portfolio companies has been growing from year to year. With this in mind, in November 2022, we announced our strategic transformation plan.

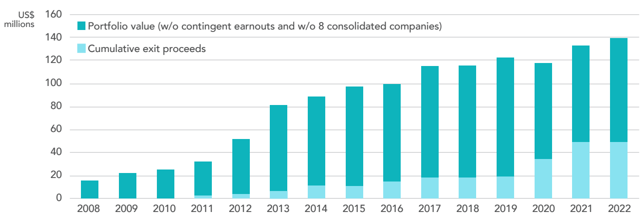
The plan was adopted to give even more attention to our advanced stage portfolio companies and to help those portfolio companies realize significant exits. In accordance with the transformation plan, our focus is wholly on developing our existing portfolio to maximize exit proceeds. As a result of this shift, we will not invest in new portfolio companies during FY2023.

We believe we are already seeing the fruits of this focus on our existing portfolio. Although, globally, 2022 was a year marked by a sharp decline in venture investments, our portfolio companies and the companies of the Singapore fund managed by us raised a total of US$92.4 million in follow-on funds in FY2022; there was no decline compared to FY2021.

OUR FY2022 RESULTS

The fair value of our portfolio increased by 8.1% in FY2022 compared to FY2021, from US$83.0 million to US$89.8 million. This significant increase was despite the US$7.9 million write-off of our investment in Stimatix GI Ltd., as reported in July 2022. It is also noteworthy that the reported fair value does not include the values of our consolidated companies (8 Singapore based consolidated companies). Since our listing in 2015, our portfolio value has grown from US$57.2 million to US$89.8 million and generated an additional US$49.4 million in exit proceeds from the portfolio.

PORTFOLIO VALUE GROWTH



Our total assets were approximately US$108.0 million as at 31 December 2022, compared to US$121.1 million as at 31 December 2021. Current assets were US$13.1 million as at 31 December 2022, compared to US$22.2 million as at 31 December 2021. Total cash, short and long-term deposits, and receivables stood at US$14.5 million at the end of FY2022, compared with US$27.2 million at the end of FY2021. NAV per share as at 31 December 2022 was US$0.11, S$0.15, or US$5.50 per ADR, compared to US$0.13, S$0.17, or US$6.00 per ADR as at 31 December 2021.

Our net loss for FY2022 was US$15.2 million compared to a net profit of US$6.0 million for FY2021; this loss was substantially attributable to the write-off of our Stimatix investment and the decrease in the projected earnout receivable from the ApiFix sale, which was estimated based on updated information publicized by the acquirer.

GOOD GOVERNANCE

Singapore's Minister of Health awarded Trendlines the Bronze Award for Best Managed Board in the small-cap category of the Singapore Corporate Awards in 2022, an award that recognizes exemplary corporate governance practices among Singapore's listed companies.

The winners were selected based on 5 criteria: corporate governance, financial resilience, strategic and operational excellence, people management, and sustainability and digital. The event was co-organized by The Business Times, the Institute of Singapore Chartered Accountants (ISCA), and the Singapore Institute of Directors, and supported by the Accounting and Corporate Regulatory Authority and the Singapore Exchange.

In 2021, the Singapore Corporate Awards recognized Trendlines with its award for Corporate Excellence & Resilience.

SPREADING SOME LIGHT

Sometimes it feels like we are living in a world of increasing darkness.

This is our eighth annual report since listing in November 2015, which marks a small yet significant milestone worthy of celebration. Trendlines, with all of our stakeholders, is wholly focused on turning back the darkness by investing to improve the human condition. Together, we are building companies that will have a significant impact on people's lives; an impact that will grow through the years to come:

- ApiFix (exited in 2020) has dramatically improved the lives of more than 600 young scoliosis patients.
- OrthoSpin's (exited in 2021) trauma and deformity patients are recovering faster, better, and with less pain.
- PregnanTech may save the lives of millions of newborn babies.
- Saturas saves 10-20% in irrigation while improving yields by up to 30%.
- AgroScout eliminates the use of thousands of liters of toxic pesticides.
- FruitSpec has saved tons of wasted fruit.

The above examples are a short list of the impact that our companies make, the result of the incredible vision and hard work of the extraordinary entrepreneurs and employees of our portfolio companies. And none of these companies would exist and succeed without the hard work of their investors, the entire Trendlines team, and Trendlines' shareholders. These successes, and our impact on people's lives, are our success in working together to improve the human condition.

The Bible tells us that we should strive to be a "light unto the nations" and Trendlines' mission statement is to improve the human condition. We expect 2023 to be another year full of challenges for us all – for Trendlines, and for our planet; yet we are intensely proud of Trendlines' small role in bringing some light to the world.

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

DAVID TODD DOLLINGER
Chair and Chief Executive Officer

STEPHEN LOUIS RHODES
Chair and Chief Executive Officer

Chairs' Statement

Table 1: Our Portfolio Clusters – IFRS Fair Value and Non-IFRS Value

Please see important explanations at the end of this table

Cluster	Portfolio Companies	Fair Value of Trendlines' Share (US$'000)	Non-IFRS Value of Trendlines' Share (additional information)* (US$'000)
Aquaculture & Animal Health Technology plays a vital role in this industry, both in terms of production and animal health allowing farmers to optimize systems for water, feed, health, and growth of animals. According to the US government, aquaculture is one of the fastest growing forms of food production in the world, and there is increasing demand, driven by concerns about climate change, for better methods of animal husbandry.	• AquiNovo • BioFishency • ViAqua	US$5,038	US$8,376
Crop Protection The demand for more sustainable, safer, and cleaner farming methods is coming from consumers, environmentalists, regulators and even the agrochemical industry itself. Trendlines' aim is to develop precise biological or chemical pesticides that are not harmful to people or the environment.	• EcoPhage • IBI-Ag • ProJini	US$6,439	US$9,633
Future Food & Ingredients As concern for the environment and animal welfare grows, there is an increasing demand for alternatives to animal-based products and food products with high carbon footprints. Alternatives include plant-based protein alternatives, cell-cultured foods, and edible insects. With the growing awareness of the link between nutrition and health, there is a trend towards functional ingredients that offer specific health benefits.	• AlgaHealth • Celleste • Hargol • Insectta • Mycovation • Phytolon • SolVeat	US$10,926	US$18,729
Digitization & Robotics Digitization and robotics are playing an increasingly important role in agriculture, as they allow for more efficient management of crops and livestock. Digitization technologies use data from sensors, drones, and other digital tools to track the health and growth of crops and improve supply chain traceability and transparency. Robotics and automation play an increasingly important role in agricultural tasks.	• AgroScout • FruitSpec • MetoMotion • miRobot • Saturas	US$7,979	US$16,294
Net-Zero Technologies Agriculture and food production are one of the largest contributors to climate change. While all of our agrifood companies increase the sustainability of food production, the companies in this cluster are not focused on growing or food production, per se, but rather on providing platform technologies that will reduce the carbon footprint of the sector.	• AgriG8 • GreenSpense • Sol Chip • TierraSpec	US$4,134	US$4,815
Cardiology, Neurology & Anesthesia Technology plays a crucial role in cardiology, neurology, and anesthesia, allowing for the better treatment of heart and neurological conditions, as well as safe and effective management of pain and sedation during these procedures.	• Ceretrieve • Leviticus • Medulla • Omeq	US$4,301	US$6,495
Esthetics Medical esthetics focuses on enhancing a person's function and esthetics through medical and surgical procedures. Esthetic interventions include scar revisions, reconstructive surgery, and trauma repairs.	• Dasyo • Dermcut • VisageX	US$1,820	US$1,963
Gastroenterology Gastroenterology deals with the digestive system and its disorders; interventional gastroenterology additionally accesses other organs through the GI tract. Innovations are being developed by our companies to improve diagnosis, treatment, and quality of life relative to gastrointestinal and interventional gastroenterology procedures.	• BeCapio • Fidmi • Harp • NasoTrak • Limaca	US$15,081	US$15,320
Home Healthcare Home healthcare is a growing part of the healthcare ecosystem due to our growing and aging population, and pressure to reduce costs; the COVID pandemic added a third driver to this rapidly growing sector. Medical and support services provided in our own homes allow us to recover faster from illness or injury, manage chronic conditions, maintain independence, and improve our quality of life.	• AyzerSense • ElastiMed • liberDi • OccuTrack • SenterCare	US$6,138	US$13,074
Spine & Orthopedics Innovation in spine and orthopedics is an active area for innovation and development at Trendlines with new technologies and treatments being developed to improve patient outcomes, reduce recovery times, improve quality of life, and reduce costs associated with these treatments. Our last two exits were both companies from this cluster.	• Arcuro • CoreBone • Magdent • SetBone • STFix • TendonPlus • ZygoFix	US$10,462	US$14,261
Surgery Faster often means better for patients and surgeons and ease of access through converting open surgical procedures to minimally invasive procedures saves time and money while improving outcomes. Trendlines' work in the field includes helping to move surgical procedures from the traditional hospital environment to ambulatory surgical centers and doctors' offices.	• Gordian • NICE • Seger • STEP • ST Stent	US$6,319	US$10,133
Urology & Women's Health Minimally invasive procedures, cryotherapy, and ultrasound technologies are some of the technologies innovating pelvic health – matters of the bladder, bowels, and reproductive organs. Trendlines' focus on pelvic health therapies is critical for social, mental, and sexual wellbeing.	• Escala • PregnanTech • ProArc • Vessi • Vensica	US$11,142	US$27,506
TOTAL		**US$89,777**	**US$146,599**

Chairs' Statement

Notes and Disclaimer:

- The additional information (Non-IFRS value) which, as stated, differs from the IFRS fair value at which we carry these investments on our balance sheet, were calculated on the basis of recent portfolio company transactions (last 12 months), as follows:
  1. In cases where the last transaction was through a Share Purchase Agreement (SPA) transaction, our holdings were calculated based on the Pre-Money basis of the transaction, multiplied by the percentage of our holdings. Differences between preferred shares and ordinary shares were not taken into account, including regarding rights of the round which may include preferences (receiving money before others), anti-dilution clauses, etc. Some of these investments were made by shareholders who have an interest in the valuation of the portfolio company and such interests may differ from those of non-related parties, or even from our interests.
  2. In cases where the last transaction was through a Simple Agreement for Future Equity (SAFE)[1] transaction or Convertible Loan Agreement (CLA) transaction, our holdings were calculated on the basis of the pre-defined valuation CAP in the transaction, multiplied by the percentage of our holdings in the company (before conversion of the SAFE or the CLA to equity). A valuation cap may entitle investors to equity priced at the lower of the valuation cap or the pre-money valuation in a subsequent financing. The valuation cap sets the maximum price at which the convertible security will convert into equity. It is noted that SAFE or CLA transactions usually include a discount to the later round of financing. Discounts typically range from 20–30% and may render a valuation cap irrelevant. We also did not relate to the question as to whether the SAFE has a conversion at the end of a certain period with or without a discount and to what type of shares the SAFE is converted.

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

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

MetoMotion's autonomous greenhouse tomato-picking robot in action.

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

Corporate Profile

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

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

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

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

Through direct investment and through our investment funds, we invest in the companies that we have founded and in select later-stage companies. Our in-house technology team, Trendlines Innovation Labs, invents and develops technologies for investment 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 and/or to be brought to market by our partners.

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

Our Life Cycle Funding Approach

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

Direct Investment

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

Trendlines Investments Israel
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, later focusing on agrifood investments.

2011

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

2012

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

2015

IPO on the Singapore Securities Exchange

2016

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

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.

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.

2020

Portfolio company ApiFix acquired by Nasdaq-traded OrthoPediatrics Inc.

2021

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

Ofir Hazut, Trendlines Investments Israel VP Bus. Dev. as Master of Ceremonies at AgriVest 2022.

The Trendlines team, Steve Rhodes, Nitza Kardish, and Sarai Kemp with Noa Partuk, Head of Trade & Economic Mission to Singapore (2nd from right) at the Israel booth during the Singapore Agrifood Week.

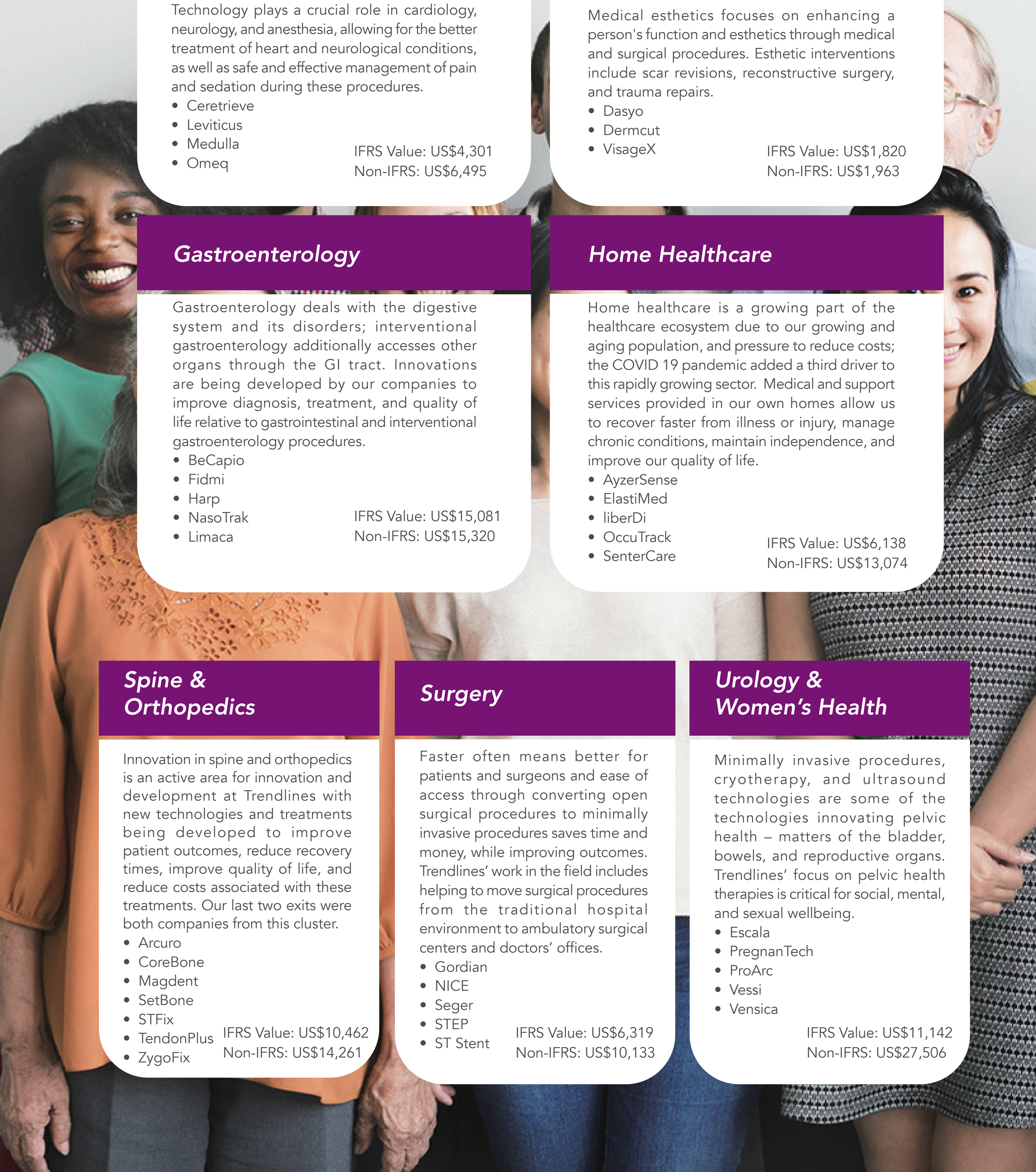
2022

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

Footnote: See also the Group Structure on pages 50 to 52 for complete details.

Medtech Portfolio Clusters

(All values are in US$'000)



Cardiology, Neurology & Anesthesia

Technology plays a crucial role in cardiology, neurology, and anesthesia, allowing for the better treatment of heart and neurological conditions, as well as safe and effective management of pain and sedation during these procedures.

- Ceretrieve
- Leviticus
- Medulla
- Omeq

IFRS Value: US$4,301
Non-IFRS: US$6,495

Esthetics

Medical esthetics focuses on enhancing a person's function and esthetics through medical and surgical procedures. Esthetic interventions include scar revisions, reconstructive surgery, and trauma repairs.

- Dasyo
- Dermcut
- VisageX

IFRS Value: US$1,820
Non-IFRS: US$1,963

Gastroenterology

Gastroenterology deals with the digestive system and its disorders; interventional gastroenterology additionally accesses other organs through the GI tract. Innovations are being developed by our companies to improve diagnosis, treatment, and quality of life relative to gastrointestinal and interventional gastroenterology procedures.

- BeCapio
- Fidmi
- Harp
- NasoTrak
- Limaca

IFRS Value: US$15,081
Non-IFRS: US$15,320

Home Healthcare

Home healthcare is a growing part of the healthcare ecosystem due to our growing and aging population, and pressure to reduce costs; the COVID 19 pandemic added a third driver to this rapidly growing sector. Medical and support services provided in our own homes allow us to recover faster from illness or injury, manage chronic conditions, maintain independence, and improve our quality of life.

- AyzerSense
- ElastiMed
- liberDi
- OccuTrack
- SenterCare

IFRS Value: US$6,138
Non-IFRS: US$13,074

Spine & Orthopedics

Innovation in spine and orthopedics is an active area for innovation and development at Trendlines with new technologies and treatments being developed to improve patient outcomes, reduce recovery times, improve quality of life, and reduce costs associated with these treatments. Our last two exits were both companies from this cluster.

- Arcuro
- CoreBone
- Magdent
- SetBone
- STFix
- TendonPlus
- ZygoFix

IFRS Value: US$10,462
Non-IFRS: US$14,261

Surgery

Faster often means better for patients and surgeons and ease of access through converting open surgical procedures to minimally invasive procedures saves time and money, while improving outcomes. Trendlines' work in the field includes helping to move surgical procedures from the traditional hospital environment to ambulatory surgical centers and doctors' offices.

- Gordian
- NICE
- Seger
- STEP
- ST Stent

IFRS Value: US$6,319
Non-IFRS: US$10,133

Urology & Women's Health

Minimally invasive procedures, cryotherapy, and ultrasound technologies are some of the technologies innovating pelvic health – matters of the bladder, bowels, and reproductive organs. Trendlines' focus on pelvic health therapies is critical for social, mental, and sexual wellbeing.

- Escala
- PregnanTech
- ProArc
- Vessi
- Vensica

IFRS Value: US$11,142
Non-IFRS: US$27,506

Agrifood Portfolio Clusters

(All values are in US$'000)

Aquaculture & Animal Health

Technology plays a vital role in this industry, both in terms of production and animal health allowing farmers to optimize systems for water, feed, health, and growth of animals. According to the US government, aquaculture is one of the fastest growing forms of food production in the world, and there is increasing demand, driven by concerns about climate change, for better methods of animal husbandry.

- AquiNovo
- BioFishency
- ViAqua

IFRS Value: US$5,038
Non-IFRS: US$8,376

Future Food & Ingredients

As concern for the environment and animal welfare grows, there is an increasing demand for alternatives to animal-based products and food products with high carbon footprints. Alternatives include plant-based protein alternatives, cell-cultured foods, and edible insects. With the growing awareness of the link between nutrition and health, there is a trend towards functional ingredients that offer specific health benefits.

- AlgaHealth
- Celleste
- Hargol
- Insectta
- Mycovation
- Phytolon
- Solveat

IFRS Value: US$10,926
Non-IFRS: US$18,729

Crop Protection

The demand for more sustainable, safer, and cleaner farming methods is coming from consumers, environmentalists, regulators and even the agrochemical industry itself. Trendlines' aim is to develop precise biological or chemical pesticides that are not harmful to people or the environment.

- EcoPhage
- IBI-Ag
- ProJini

IFRS Value: US$6,439
Non-IFRS: US$9,633

Digitization & Robotics

Digitization and robotics are playing an increasingly important role in agriculture, as they allow for more efficient management of crops and livestock. Digitization technologies use data from sensors, drones, and other digital tools to track the health and growth of crops and improve supply chain traceability and transparency. Robotics and automation play an increasingly important role in agricultural tasks.

- AgroScout
- FruitSpec
- MetoMotion
- miRobot
- Saturas

IFRS Value: US$7,979
Non-IFRS: US$16,294

Net-Zero Technologies

Agriculture and food production are one of the largest contributors to climate change. While all of our agrifood companies increase the sustainability of food production, the companies in this cluster are not focused on growing or food production, per se, but rather on providing platform technologies that will reduce the carbon footprint of the sector.

- AgriG8
- GreenSpense
- Sol Chip
- TierraSpec

IFRS Value: US$4,134
Non-IFRS: US$4,815

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 2022 and 31 December 2021.

Total assets decreased by approximately 10.81% from US$121.1 million as at 31 December 2021 to US$108.0 million as at 31 December 2022. This was mainly due to a decrease in cash and cash equivalents of US$9.7 million, a decrease in contingent consideration of US$5.9 million, a decrease in short term deposit of US$2.2 million which was offset by an increase in investments in portfolio companies of US$6.7 million.

NON-CURRENT ASSETS

INVESTMENTS IN PORTFOLIO COMPANIES

The investments in portfolio companies of US$89.8 million as at 31 December 2022 comprised of 48 portfolio companies presented at fair value (not including the 13 consolidated Singapore based companies). There was an increase of US$6.7 million or 8.11% as compared to 31 December 2021.

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

i. A decrease of approximately US$6.8 million in the fair value of various portfolio companies mainly as a result of the completion of fund-raising exercises at less favorable terms to the Company and general commercial or technological difficulties demonstrated in some portfolio companies in FY2022; and

ii. the write off of Stimatix G.I. Ltd. ("Stimatix") of approximately US$7.9 million as a result of the acquirer announcement that it is discontinuing the marketing of the product of Stimatix, as stated in the company's announcement dated 14 July 2022, and write off of one portfolio company of approximately US$0.5 million due to a lack of funding.

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

i. An aggregate net increase of US$17.5 million in the fair value of various portfolio companies which was derived based on factors such as the terms on which each portfolio company completed its fund-raising exercises and each portfolio company's commercial or technological progress. In general, favorable terms for fund raising exercises/exits and higher commercial or technological progress would lead to higher fair values;

ii. Six (6) additional portfolio companies which contributed approximately US$4.5 million to the fair value of our portfolio companies as at 31 December 2022.

SHORT-TERM BANK DEPOSITS

Short term bank deposits decreased by approximately US$2.2 million because last year a deposit matured, and the company purchased a new deposit at a different amount close to the end of the year.

Our total cash and cash equivalents and short-term bank deposits represent 61.97% of our total current assets.

ACCOUNTS AND OTHER RECEIVABLES AND CONTINGENT CONSIDERATION RECEIVABLE

Accounts and other receivables decreased by approximately US$0.8 million mainly due to the receipt of the first payment of the ApiFix sale.

CURRENT ASSETS

As at 31 December 2022, current assets amounted to approximately US$13.1 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 decreased by approximately US$9.7 million as compared to FY2021. The change in cash balances comprised of the following: cash provided in operating activities US$14.9 million, cash used in investing activities was US$2.0 million mainly due to payment of bank, cash provided by financing activities was US$3.2 million mainly due to loan received.

LONG-TERM LIABILITIES

Our long-term liabilities amounted to approximately US$5.3 million as at 31 December 2022, a decrease of 35.08% as compared to 31 December 2021. Our long-term liabilities represented approximately 43.44% of our total liabilities as at 31 December 2022.

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 2021, long term deferred revenues amounted to US$0.7 million. The increase of approximately US$0.2 million as at 31 December 2022 was due to a higher number of our Portfolio Companies having their deferred revenues recognized in the 13th to 24th month period as at 31 December 2022, as compared to that as at 31 December 2021.

CURRENT LIABILITIES

Our current liabilities decreased by approximately US$3.6 million from approximately US$10.4 million as at 31 December 2021 to approximately US$6.8 million as at 31 December 2022, mainly as a result of the repayment of a bank loan at the beginning of the year.

Financial Highlights and Review

TRADE AND OTHER PAYABLES

Trade and other payables decreased by approximately US$0.9 million, from approximately US$4.2 million as at 31 December 2021 to approximately US$3.4 million as at 31 December 2022 mainly due to projects that were in FY2021 (such as the establishment of a new laboratory) and 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 in FY2021.

SHORT-TERM LOAN

A short-term loan decreased by US$3.9 million. During 2021, the Company received a US$4 million bank loan pledged by a deposit of US$4 million that matured in January 2022. The bank loan was drawn down for working capital purposes. The loan bears an annual interest rate of LIBOR +3.5%.

During 2022, the Company signed a loan agreement with Agriline Limited[1] ("**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 Medical Ltd. ("**Vensica**"), a portfolio company of the Group. The Loan bears a variable interest rate based on the changes in the valuation of Vensica, up to an annual rate of 7%. As of December 31, 2022, the loan's fair value is US$292,000.

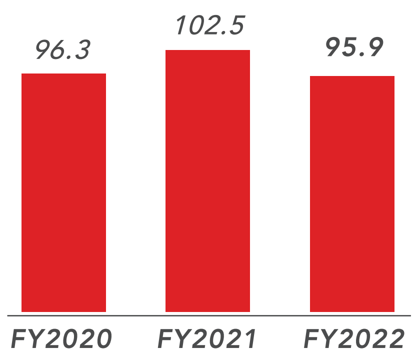
SHORT-TERM DEFERRED REVENUES

An increase of US$1.5 million in the short-term deferred revenue. The increase of US$1.5 million was mainly due to a higher number of portfolio companies, as at 31 December 2022, that have deferred revenues to be recognized in the 1st to 12th month period, as compared to that as at 31 December 2021.

EQUITY

As at 31 December 2022, equity attributable to equity holders of the Company amounted to approximately US$95.9 million.

TOTAL EQUITY (US$'000)



LOANS FROM THE IIA

The loans from the IIA decreased by US$0.2 million or 9.16%, from US$2.7 million as at 31 December 2021 to US$2.5 million as at 31 December 2022, mainly due to the decrease in fair value of specific portfolio companies for which the loans were received, which forms the basis for the calculation of the value of the loans from the IIA in the Group's financial statements.

DEFERRED TAXES

The net deferred tax liabilities decreased at the amount of US$2.2 million, deferred tax liability decreased by US$2.2 million as of 31 December 2022, due to recognition of additional deferred tax assets.

INCOME

Total income decreased by approximately US$13.7 million from an income of US$16.1 million in FY2021 to an income of approximately US$2.4 million in FY2022.

GAIN FROM CHANGE IN FAIR VALUE OF INVESTMENTS IN PORTFOLIO COMPANIES

The loss in fair value of investments in Portfolio Companies was US$2.5 million in FY2022 as compared to a gain from change in fair value of investments of US$9.2 million in FY2021.

In FY2022, there was an increase of US$13.6 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.

[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

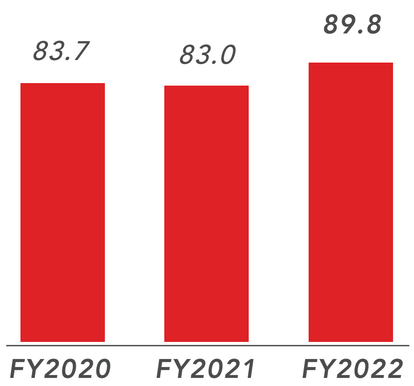
The increase in fair value of investments in Portfolio Companies was mainly offset by:

(i) a decrease of approximately US$7.7 million in the fair value of various Portfolio Companies mainly as a result of the completion of fund-raising exercises at less favorable terms to the Company, and general commercial or technological difficulties demonstrated in some Portfolio Companies in FY2022; and

(ii) the write off of Stimatix G.I. Ltd. ("**Stimatix**") of approximately US$7.9 million as a result of the acquirer discontinuing the marketing of the product of Stimatix, as stated in the Company's announcement dated 14 July 2022, and write off of another Portfolio Company of approximately US$0.5 million as a result of lack of funding.

FAIR VALUE OF PORTFOLIO COMPANIES

(US$'000)



FINANCIAL INCOME

Financial income decreased by US$3.4 million mainly due to an increase in the exchange rate between US$ and NIS (US$: NIS) in FY2022 as compared to decrease in the exchange rate in FY2021.

OPERATING, GENERAL, AND ADMINISTRATIVE EXPENSES

Operating, general and administrative expenses increased by approximately US$0.5 million or 4.40%. The change was mainly a result of an increase in the operating activity of the entire Group.

FINANCIAL EXPENSES

Financial expenses increased by US$5.7 million as a result of the decrease in the fair value of the contingent consideration receivable and the interest on the long-term receivable which were recorded upon the sale of our former Portfolio Company, ApiFix, to OrthoPediatrics Corp in April 2020.

INCOME FROM SERVICES TO PORTFOLIO COMPANIES

Income from services to Portfolio Companies comprised of approximately US$0.7million received as overhead reimbursement from our Portfolio Companies and approximately US$1.9 million value of non-cash benefits received from the IIA in Israel. Income from value of non-cash benefits received from the IIA in Israel increased by approximately US$1.1 million or 147% mainly due to higher number of new Portfolio Companies that were serviced by the Group in FY2022 as compared to that in FY2021.

INCOME (LOSS) BEFORE INCOME TAXES (TAX BENEFIT)

In view of the above, loss before tax benefit in FY2022 was approximately US$17.3 million compared to an income of approximately US$2.6 million in FY2021, mainly due to the loss from the change in fair value of investments in Portfolio Companies as compared to the gain on this item in FY2021.

CONSOLIDATED STATEMENT OF CASH FLOW

Net cash used in operating activities of US$14.9 million in FY2022 was mainly due to a net loss of US$15.2 million and adjustments for non-cash items such as (i) loss from changes in fair value of investments in portfolio companies of approximately US$2.5 million; (ii) income from services to portfolio companies and R&D contracted services of approximately US$1.9 million; (iii) financial expense related to contingent consideration of approximately US$5.9 million (iv) investments in portfolio companies, net of approximately US$5.3 million; and (v) income tax benefit of approximately US$2.2 million.

Net cash used in investing activities of US$2.0 million in FY2022 was mainly due to the purchase of a new bank deposits (US$2 million), offset by the maturity of a previous deposit of US $4.2 million.

Net cash provided by financing activities of US$3.1 million in FY2022 was mainly due to the issuance of shares, net of approximately US$7.5 million and the repayment of a loan of approximately US$4.0 million.

Financial Highlights and Review

FINANCIAL SUMMARY

	FY2020 (US$'000)	FY2021 (US$'000)	FY2022 (US$'000)
Total portfolio value	83.7	83.0	89.8
Total income	(2,849)	16,122	2,374
Total expenses	10,098	13,477	19,693
Income/(loss) before income taxes	(12,947)	2,645	(17,319)
Income tax (expense)	8,996	3,355	2,156
Net income/(loss)	(3,951)	6,000	(15,163)

OUR TEN MOST VALUABLE COMPANIES

Company Name	Year of Initial Investment	% Owned (Fully Diluted)
AgroScout	2017	22.43
Arcuro	2013	21.70
ElastiMed	2015	32.13
Fidmi	2014	42.84
IBI Ag	2018	32.75
Limaca	2017	42.80
Phytolon	2018	29.98
ST Stent	2013	21.19
Vessi	2017	45.42
ViAqua	2014	11.78

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 the venture funds we manage, 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 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

While 2022 saw much lower effects of the COVID 19 pandemic on our lives, the war in Ukraine and the downturn of the capital markets both had ripple effects on people and businesses worldwide. International travel opened gradually over the year, allowing for the comeback of face-to-face conferences and business events. We held our AGM in April 2022 and began traveling to meet with investors and strategic partners.

During the year, our portfolio companies (including portfolio companies of the managed venture funds) raised over US$92 million, with notable financing rounds of US$14.5 million and US$35 million by Phytolon and Equinom, respectively. Vensica raised US$16 million in 2021, and completed the round in 2022 to close at US$19 million.

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

In June 2022, we wrote off our portfolio company Stimatix following the removal of the product from the acquirer's product portfolio.

In August 2022, we were proud to be awarded the Bronze Award for Best Managed Board in the small-cap category of the Singapore Corporate Awards by Singapore's leading business publication, Business Times Singapore. The award recognizes exemplary corporate governance practices in Singapore's listed companies.

In November 2022, we announced a strategic transformation plan shifting our focus from investing in new companies to developing our existing and increasingly mature portfolio to maximize exit proceeds. We have suspended investments in new companies from 2023. In accordance with the new strategy, we reorganized our operating activities and reduced staff.

Todd Dollinger attending a Board meeting of the AO Foundation's AO Innovation Translation Center.

Business Review

To provide greater transparency, and insight into our portfolio value calculations, we have provided two new metrics. One is the breakdown of total portfolio value by the value of different portfolio groupings or portfolio clusters. All companies are sorted into clusters and Trendlines' share of each cluster's valuation is presented. Additionally, we will be providing "Non-IFRS information" alongside the fair market value. The Non-IFRS information values have been independently determined by the company that does our portfolio company valuations. See pages 5 and 6 of this Annual Report for full information.

Team

For additional information, see the Senior Management chapter in this Annual Report and the Our Team page on the Trendlines' website - https://www.trendlines.com/team.

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

Committed To Diversity

Trendlines embraces the importance of diversity in our people and values the diverse collection of skills and experiences from our staff in Israel and Singapore. We strive to create an inclusive and culturally sensitive working environment that provides equal opportunities to all employees regardless of ethnicity, language, religion, age, and gender.

In 2022, we reduced the number of staff across our Israel and Singapore operations, in line with our strategic shift to focus on existing portfolio companies, rather than starting new companies. Our employee count was reduced from 53 as of March 2022 to 39 as of December 2022.

Eight of our portfolio companies are led by women and three of our Board members, including our Lead Independent Director, are women.

	Gender Diversity of Employees	
	Male	Female
Israel	11	12
Singapore	8	8

	Age Diversity of Employees	
	Under 50	Over 50
Israel	8	15
Singapore	15	1

Meeting of the Trendlines' Board of Directors in Misgav, Israel, February 2023.

Business Review

Trendlines Investments Israel

2022 will be remembered by many as a year of slowdowns in financing, fewer M&A and IPO deals and a general atmosphere of reevaluating companies' financial positions. In fact, according to a study by Startup Nation Central, high-tech investment in Israel overall fell by 43% in 2022 compared to 2021 (https://startupnationcentral.org/news/israeli-high-tech-industry-2022/). Despite this, many of our companies raised capital to reach meaningful business milestones such as commercialization, regulatory clearance, and clinical/field studies.

A notable financing was Phytolon's US$14.5 million round, led by multinational industry leaders DSM Venturing and Cibus Fund, with in-kind participation from Ginkgo Bioworks and investments from The Trendlines Agrifood Fund, Agriline, Millenium FoodTech and others. Phytolon develops fermentation-based natural food colors, and the funds will be used to further progress its technology towards commercialization.

Two companies received FDA clearance: Escala, for its pelvic organ prolapse repair device and liberDi, for its digital home dialysis system. Limaca received breakthrough device designation for its Precision-GI endoscopic biopsy device.

Eleven medtech companies began or continued with clinical studies: PregnanTech, Limaca, Escala, ZygoFix, Elastimed, CoreBone, Vessi, Ceretrieve, liberDi, Omeq, and SenterCare.

Three agrifood companies began field studies: AlgaHealth, EcoPhage and IBI-Ag.

Three agrifood companies announced new strategic collaboration agreements: Phytolon with DSM and Gingko BioWorks, AgroScout with São Martinho and Mondelēz International, and Sol Chip with Japan Post.

In 2022, we established six new portfolio companies, two agrifood companies and four medtech companies.

- Celleste is focused on producing high quality and high value cocoa ingredients using cell culture methods, eliminating the dependence on cultivation of cocoa trees. Multi-national corporation Mondelēz is a partner in the company.
- TierraSpec is developing a platform for measuring and validating carbon sequestration in agricultural soils.
- BeCapio is developing a device for prevention of fecal incontinence and regaining control.
- Harp is developing an easy-to-use home diagnostic system for monitoring inflammatory bowel disease.

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

Business Review

- STFix is developing a minimally invasive, rotator cuff repair implant for improved repair, quicker rehabilitation and reduced retear rate.
- VisageX is developing facial implants for the esthetics and reconstructive surgery market.

Trendlines Medical Singapore

Trendlines Medical Singapore was established in 2016, with a view to establish, incubate and reach commercialization of early-stage healthcare companies. The incubator is supported by the government of Singapore and actively collaborates with local research institutions, hospitals, and multinational medical companies.

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

During 2022, NasoTrak, Medulla, TendonPlus and NICE all began successful pre-clinical studies. NasoTrak went on to complete a first-in-human study on seven healthy volunteers in September 2022. Ayzer Sense recruited 30 patients for a clinical study that commenced in May 2022.

Three companies were granted patents during 2022.

NICE, STEP and TendonPlus successfully completed their proof-of-concept (POC) funding and secured proof-of-value (POV) funding.

Ayzer Sense, NasoTrak, Medulla and OccuTrack are currently actively fundraising.

Trendlines Innovation Labs

In partnership with multinational corporations and leading research institutions and hospitals, Trendlines Innovation Labs develops technologies and products to meet medical device unmet market needs. Our Labs team has created substantial "hidden value" for Trendlines by developing the IP upon which new companies have been established in our Israel- and Singapore-based incubators and by bringing new products to market with our partners in the U.S., Europe, Japan, China, and more.

Employing our experience and our partners' in-depth market knowledge, Trendlines Innovation Labs is the ideal environment for transforming inventions into products and bringing them to market with our partners for the benefit of all.

In 2022, Trendlines Innovation Labs added new collaboration agreements with multinational companies – one in Japan, two in China and one in the USA. Additionally, we began collaborating with a hospital in Singapore.

A delegation from Enterprise Singapore visited us at Trendlines' headquarters in Misgav in the summer of 2022.

Business Review

During 2022, the Trendlines Innovation Labs team focused on several leading projects:

- Laparoscopic devices – innovative staplers for colorectal cancer surgery
- Urology – new sensors technology for early detection of kidney diseases
- IBD (Inflammatory Bowel Disease) – state of the art device for treating IBD patients
- Endoscopy – polyp removal platform, vacuum therapy device
- Orthopedics and spine – dynamic disc replacement

Two new companies were established in our Israel-based incubator based on technologies developed by the Innovation Labs team:

- BeCapio - a device for prevention of fecal incontinence and regaining control.
- Harp - an easy-to-use home diagnostic system for monitoring inflammatory bowel disease.

In August 2022, Kobby Greenberg assumed CEO responsibilities for Trendlines Innovation Labs after having served for three years as Labs' Director of Project Management (see the Senior Management section of this Annual Report for more information).

Trendlines Agrifood Fund and Trendlines Agrifood Innovation Centre (AFIC)

In January 2022, the Agrifood Fund concluded a new investment in its 8th portfolio company, Peptobiotics (Vaciome Pte. Ltd.), a Singapore-based synthetic biology company that develops peptide products for the animal health industry. In October 2022, Peptobiotics emerged as Grand Winner at SLINGSHOT 2022 out of over 3,600 global startups.

In June 2022, the Agrifood Fund led a follow-on investment round in its portfolio company AgwaFarm and made a new investment in its 9th portfolio company, Phytolon, an Israel-based biotech food colorant start-up with proprietary technology to develop fermentation-based natural food colors. Phytolon raised a total of US$14.5 million in this funding round. Phytolon is also a portfolio company of Trendlines.

This was followed in August 2022 by the Fund's follow-on investment in portfolio company PlanetWatchers, a UK-based company. PlanetWatchers raised US$11 million as part of its series A funding round to support its growth plan and to significantly increase its commercial footprint with crop insurers and agricultural input providers.

One of the Fund's portfolio companies, Equinom, announced the close of a successful series D funding in December 2022, raising US$35 million, bringing total funding in the company to more than US$71 million to date. The successful fundraising effort was a testimony to the traction that Equinom has received in the market with their proprietary non-GMO crop varieties of soy, sesame, and yellow pea.

AFIC organized 2 accelerator programs in 2022 that supported a total of 30 agrifood startups in Singapore.

Together with some of our portfolios companies, we participated in the Singapore International Agrifood Week, 26 – 28 October 2022 and Israel's AgriFood Week, 6 - 10 November 2022, which included AgriVest 2022.

Business Review

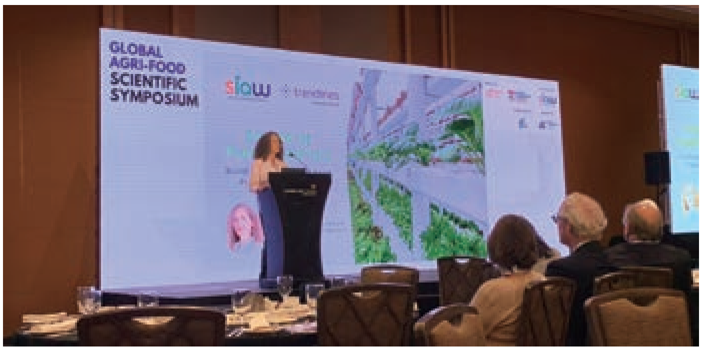
EVENTS AND VISITS

February 2022 Keith Loo welcomes the start-ups presenting at the 3i Accelerator Pitch Day following the program run by Trendlines Agrifood Innovation Centre in Singapore.

June 2022 A delegation from Enterprise Singapore visited us at Trendlines' headquarters in Misgav.

August 2022 A delegation from Mondelēz International made a visit to meet with the Trendlines Agrifood team in Israel.

September 2022 Portfolio company Escala presented at the WHII Congress (World Congress on Women's Health: Innovations & Inventions). From L-R: Escala Chair, Robert Auerbach, CEO Edit Goldberg, R&D Head, Ravit Horner, CEO Trendlines Investments Israel, Barak Singer.



October 2022 – Trendlines Agrifood Fund CEO Nitza Kardish PhD lectured at the Global Agri-Food Scientific Symposium in Singapore on the use of plant genetics to reach low-waste high-calorie urban farming.

Business Review

October 2022 The Trendlines team, Steve Rhodes, Nitza Kardish, and Sarai Kemp with Noa Partuk, Head of Trade & Economic Mission to Singapore (2nd from right) at the Israel booth during the Singapore Agrifood Week.

November 2022 A team from Ginkgo BioWorks visited us in Israel and we look forward to more initiatives together.

November 2022 AgriVest 2022 celebrated its tenth anniversary and was the biggest event yet with over 850 participants, 40% from overseas.

November 2022 We hosted representatives from Mitsubishi Corporation and exchanged knowledge and deepened our ties for future collaboration.

December 2022 At the 2022 “Beijing Intelligent Health Technology & Innovation Forum”, AstraZeneca and Trendlines partnered to promote the incubation of tech innovation firms and the commercialization of new technologies, aiming to fulfill the huge demand in the Chinese and global healthcare markets.

Investor Relations

Trendlines is deeply committed to the full and timely disclosure of material information and to providing insights into the Company's challenges and performance for our shareholders and the broader investor community. We fully comply with all legal and regulatory requirements, and we go well beyond these requirements, by expanding the breadth and depth of the information provided about our activities and our companies. In keeping with our desire to provide as much information as possible, in this annual report we are, for the first time, providing additional information on our portfolio company valuations. (see pages 5 and 6 of this annual report for additional information).

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;
- maintaining a comprehensive website that includes investor information, information about The Trendlines Group, and detailed information about our individual portfolio companies;
- holding virtual business updates in Q1 and Q3 where we present updates and answer questions;
- issuing regular press releases when appropriate;
- holding interviews with reporters and analysts from the financial and general press;
- publishing investor presentations on the SGXNet and our website;
- meeting with shareholders and analysts to review activities and answer questions; and
- publishing the Trendletter (our 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 and conduct individual meetings with shareholders and the broader investment community.

In August 2022, Chairs and CEOs Steve Rhodes and Todd Dollinger held the H1 2022 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.

Todd Dollinger receives the Bronze Award for Best Managed Board in the small-cap category of the Singapore Corporate Awards from Guest of Honor, Singapore's Minister of Health, Mr Ong Ye Kang.

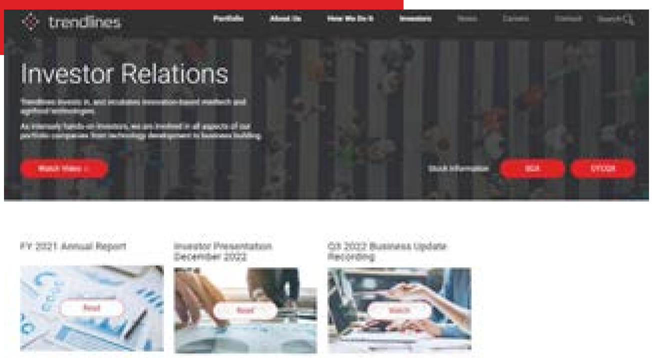
Investor Relations

2022 Investor Relations

2022 saw the reopening of international travel and we continued to promote investor awareness of The Trendlines Group both via videoconferencing and face-to-face meetings with shareholders and potential investors.

Our AGM and SGMs were held electronically during 2022 along with virtual meetings via videoconference to update investors and shareholders on our H1 2022 financial results. On 21 November 2022, we held an additional virtual meeting to provide business updates for investors and shareholders. Our Chairs and CEOs Todd Dollinger and Steve Rhodes, together with CFO Haim Brosh, presented the business updates and highlighted developments including our strategic focus for 2023. Investors, shareholders, and analysts joined to watch our virtual meeting by way of electronic means and participated in the "live" discussion and interaction with our management team, including asking questions.

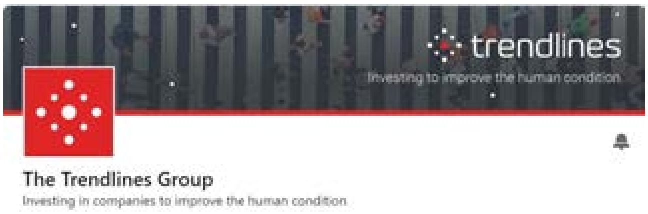
Our monthly investor-focused email updates collate key announcements and business developments in a single document. We also publish updated investor presentations regularly. All these events/announcements are available on the SGXNet, the OTCQX, and the Investors section of the Trendlines website: https://www.trendlines.com/investor-relations/.



A Commitment to Communications through Multiple Media Channels

The Investors section of our website provides shareholders and potential investors with convenient access to our announcements, presentations, financial information, and annual reports. 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 https://www.trendlines.com/investor-relations/



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

We email the Trendletter, our corporate newsletter, to 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.

Site visitors may sign up for the Trendletter using the subscription form at the bottom of the homepage (www.trendlines.com) and may unsubscribe at any time.

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

For 2023, 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. As mentioned in our Chairs' Statement, we have introduced important new information about our portfolio companies and their value to the Group.

Events

We believe in the importance of face-to-face meetings and events with investors and partners. We hope that 2023 will provide us with the opportunity to meet with our stakeholders once again in person.

Sustainability Report

STATEMENT FROM THE BOARD

The Board of Directors of The Trendlines Group ("**Trendlines**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present our sustainability report for the year ended 31 December 2022, demonstrating our commitment towards sustainable growth and investment. The Board has an ultimate overview and determines the material ESG factors and oversees the management and monitoring of these factors. Trendlines' Board 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. See the Governance for Sustainability Section for further details.

The entire investment industry is undergoing a paradigm shift towards sustainable investing, and sustainable capital has grown multifold. More than 4,000 organizations, representing US$120 trillion in Assets Under Management, have become signatories to the United Nations Principles of Responsible Investment. According to the Morgan Stanley Capital International 2021 Global Institutional Survey, there is increased investor demand for environmental, social and governance ("**ESG**") investments. Furthermore, impact investing has taken center stage in the widespread move towards sustainable investing. At Trendlines, we are constantly working ESG factors into our investment screening & portfolio building process. The Board and Management are cognizant of managing sustainability issues not only as an organization but also as an investor and advocate through regular interactions with our portfolio companies and partners.

2022 was a year of mixed sentiments for the world economy. On the one hand, we saw increased business momentum and optimism as COVID-19 restrictions were progressively lifted. On the other hand, inflationary pressures, worsening geopolitical tensions and rising interest rates threatened the global economy, as seen when food prices reached record highs and posed a risk to emerging economies that were already battling debt crises. Trendlines worked closely with our portfolio companies and supported them through these volatile and uncertain times. We kept a close eye on our portfolio, reviewing funding needs to extend their runways, whenever possible.

Our investments in the medtech and agrifood industry are well-positioned to address global challenges such as the food crisis and the lack of affordable healthcare. The Group is committed to facilitate the appropriate growth of our portfolio companies through adequate funding and helping them carve out their business strategies and growth trajectories.

SUSTAINABILITY FRAMEWORK

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

ESG issues impact the risk/return outlook and outcomes of investee 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 data protection and supply chain management.

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

Trendlines' sustainability framework is built on two pillars – how we implement ESG investing and how we track our impact.

ESG Investing

We integrate ESG considerations into our investment life cycle, using a 3-step process:

1. We look at the macro ESG trends for medtech and agrifood technologies, which are the primary sectors in our investment mandate. For instance, changing weather patterns will impact crop yields and therefore there is an urgent need to develop nutrition-rich and climate-resilient crop varieties.
2. As part of our due diligence when we engage and evaluate specific companies, we need to understand how they are impacted by ESG-related risks and opportunities. As active investors, we can influence portfolio companies and support them with their longer-term ESG plans. This way, we can prepare them for long-term growth.
3. We pay close attention to governance policies and processes in the way we interact with and manage our portfolio companies. The companies are required to have clear accountability, control and reporting policies and mechanisms in place for both financial and non-financial matters.

Sustainability Report

Tracking ESG Impact

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

- Organizational – These are the ESG practices that Trendlines can adopt as a corporate entity, such as minimizing electricity consumption and reducing usage of gas fuelled cars to minimize 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 ecosystem on ESG-related issues and initiatives.
- Macro-impact – This is how our portfolio companies' products and services can contribute to larger socio-economic objectives such as the United Nations' Sustainable Development Goals ("SDGs"). An overview of this macro-impact is in a subsequent section of the report.

About This Report

This report shares our annual update on sustainability initiatives and performance covering the period 1 January 2022 to 31 December 2022. It has been prepared in accordance with Global Reporting Initiative ("**GRI**") Universal Standards 2021 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 the 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 email us at: info@trendlines.com.

GOVERNANCE FOR SUSTAINABILITY

Sustainability begins with good corporate governance. Trendlines' Board – which is comprised of five 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. All Board Members have received training on sustainability matters.

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 Taskforce – comprising Trendlines' Chief Financial Officer ("**CFO**") and Head of Investor Relations ("**IR**") – takes on the day-to-day aspects of sustainability duties such as liaison with our portfolio companies, tracking of ESG indicators, monitoring compliance and surfacing critical sustainability concerns to the Board.

Figure 1: Sustainability Governance Structure

Risk Management

The Board is responsible for the overall risk governance, risk management and internal control framework of the Company, and has put in place a system of internal controls to safeguard shareholders' interests and the Company's assets, and to manage risks. The design and implementation of risk management and internal control systems are managed and reviewed by senior management. Relevant documentation, including delegation of authority, control processes and operational procedures, is disseminated to the Group's employees.

The Audit Committee ("**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.

Sustainability Report

The Sustainability Taskforce convenes twice a year to assess climate-related risks and present its assessment in writing to the Board. The Board can decide on a list of actions to be taken by management with regard to the findings of the Sustainability Taskforce. Furthermore, the Board can recommend that the risks identified by the Taskforce be externally validated.

Climate Risk Disclosures

The Singapore Exchange ("**SGX**") has mandated that, effective for the financial year commencing on or after 1 January 2022, all issuers must include climate-related disclosures on a 'comply or explain' basis in their annual sustainability reports. Such disclosures must follow the Task Force on Climate-related Financial Disclosures ("**TCFD**")'s recommendations.

For issuers in the Financial Industry, which includes Trendlines, climate reporting will become mandatory for all financial years commencing 1 January 2023. In view of these new requirements, we are adopting a phased approach in climate-related reporting commencing with this year's report. This phased approach has referenced SGX's Practice Note 7.6 Sustainability Reporting Guide. There is a TCFD Disclosures table at the end of this report that spells out our progressive alignment with the eleven TCFD recommendations.

Trendlines started to examine the qualitative impacts of climate-related physical and transition risks in FY2022. Physical risks include physical damage from extreme weather events (e.g. water damage from floods and infrastructural damage from fires), business disruption due to facility shut down, and costs/provisions for repairs. Transition risks are business-related risks that follow the shift toward a low-carbon future, and can include policy and regulatory risks, rising compliance and insurance costs, obsolete infrastructure, technological risks, market risks and reputational risks.

Table 1: Qualitative Assessment of Climate-Related Risks

Risk Description	*Qualitative Assessment*	*Opportunities*
1. Physical Risks		
1.1 Acute – Event-driven risks, arising from extreme weather events and the increased frequency of such events (including wildfires, droughts, floods etc.)	Extreme weather conditions, such as wildfires or floods, could affect our ability to work from our offices in Israel and Singapore for a period of time.	–
1.2 Chronic – Overall shifts in climatic behavior, such as temperature and precipitation patterns, sea level rise, etc.	An average rise in temperatures poses a moderate risk where we would need to use more energy for cooling, but it may not materially impact our operations. A rise in sea levels may pose a risk in Singapore as a small city state surrounded by water. This also poses a minimal risk for operations.	An average rise in temperatures poses a risk for agricultural production, specifically in drought-stricken areas. This risk also poses an opportunity for portfolio companies e.g. Saturas and BioFishency, whose technologies enable substantial optimization of water use to produce more food with less.

Sustainability Report

2. Transition Risks		
2.1 Policy and Legal – Policy changes (e.g., carbon tax, regulatory changes on food or medical services), new regulations and legal disputes	Our portfolio companies have to keep track of the latest and evolving policy and legal risks that impact their business. Our energy expenses and transport costs may be affected by a carbon tax. Our ability to travel to meet with shareholders, partners, and investors may be curbed by rising costs or taxes on travel.	Portfolio companies such as TierraSpec and FruitSpec are well positioned to provide information on soil carbon and transport of food in the food chain enabling better management of resources.
2.2 Technology – Changes in technology as the world adapts to a low-carbon economy.	A big change or swing in market adoption of certain technologies may make other technologies less attractive to investors/acquirers. In any of the agrifood or medical fields in which we have portfolio companies, there is a risk that a new technology could make the solution that our companies are developing less relevant/attractive to acquirers/ investors.	Keeping abreast of cutting-edge technological developments could provide opportunities to address low-carbon production needs.
2.3 Market – The possibility that certain industries and companies may be more vulnerable to climate change	There is a risk that, as technologies develop and demands change and shift, some of the portfolio companies could become less attractive to investors over time.	The food industry is experiencing a revolution which provides many opportunities to explore future foods using non-conventional methods.
2.4 Reputation – Growing stakeholder preference to work with companies incorporating climate risk into investment decisions and operations.	Investors and other stakeholders are looking for climate-positive technologies and solutions.	Climate-positive solutions are a built-in part of our business through a portfolio of agrifood technologies and medtech solutions that seek to improve outputs and outcomes using fewer resources such as land, water and energy.

Sustainability Report

Taking into account that we are a small organization with a lean team, we are adopting a phased approach in our climate risk assessment and reporting as resources are limited. During FY2023 we will embark on a more in-depth analysis and disclosure of climate-related risks and opportunities, material ESG factors and , identifying and disclosing appropriate data and metrics, integrating climate risks with the broader enterprise risk management framework, examining the resilience of the organization's strategy, taking into consideration the different climate-related scenarios, and building our in-house knowledge.

2022 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

PLANETech
Climate Change Technologies

Since 2021, Trendlines has been actively supporting PLANETech (www.planetech.org), a non-profit innovation community for climate change technologies. A joint venture with the Israel Innovation Institute and Consensus Business Group (a controlling shareholder of The Trendlines Group), PLANETech supports organizations in discovering how their technologies can address climate change challenges while gaining economic value.

In September 2022, PLANETech held its inaugural Climate Tech Conference in Tel Aviv, Israel. The conference had more than 2,000 attendees and involved 100 startups. Nitza Kardish, PhD, CEO of Trendlines Agrifood Pte. Ltd., moderated one of the panel discussions on technology in agriculture and its contribution to climate change matters.

Thirteen of our portfolio companies are currently listed on the PLANETech Startups Platform, which contains climate impact data of these companies. The list includes AgroScout, Agwa, AquiNovo, BioFishency, EcoPhage, Equinom, FruitSpec, GreenSpense, Hargol, Phytolon, Projini, Saturas and Sol Chip.

Trendlines Operations team handing out holiday gifts at Ecommunity.

Sustainability Report

Table 2: 2022 Sustainability Performance Highlights

ENVIRONMENTAL	Energy consumption	Energy consumption increased 9.5% from 176,840 kWh in 2021 to 193,748 kWh in 2022. The increase was due to 1. the building of a new clean room, two new laboratories, and the installation of electric vehicle charging stations. 2. The return to working in the office as opposed to working from home during the pandemic. Similarly, energy intensity increased 9.5% from 90.7 kWh/sqm in 2021 to 99.4 kWh/sqm in 2022. Total utilized space was unchanged in both years at 1,950 sqm.
	Use of low-emission vehicles	6 out of 13, 46%, of our leased vehicles in Israel were low-emission hybrid or electric models.
	Recycling	We practised paper and cardboard recycling. However, the lack of recycling infrastructure at the Misgav Business Park posed certain limitations. We continue to reduce the usage of disposable utensils to almost zero.
SOCIAL	Gender and age diversity	Of the 39 employees in Israel and Singapore. 18 (50%) were women, while 16 (44%) were aged 50 and above.
	Community involvement	See the Stakeholder Engagement section for details.
GOVERNANCE	Reported cases of corruption	Nil.
	Regulatory/compliance breaches	Nil.
	Representation on the board of portfolio companies	Trendlines was represented on the boards of more than 90% of our portfolio companies.
INVESTMENTS	Total number of portfolio companies	56 (including consolidated portfolio companies).
	No. of investments in 2022	6 investments in new incubator companies - two agrifood companies and four medtech companies.
	Portfolio fair value	US$89.8 million.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

As a responsible corporate citizen, Trendlines supports 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**"). The Agenda, adopted by all United Nations Member States in 2015, comprises 17 Sustainable Development Goals ("**SDGs**") to be achieved by 2030 across social, environmental and economic domains.

We have identified 8 SDGs that are relevant to our business and where our internal operations and portfolio companies can contribute towards the SDGs' targets and indicators. Alignment with the SDGs is not only good corporate citizenship, but our contributions can also generate opportunities for innovation and entrepreneurship.

Sustainability Report

Table 3: 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, invests in, and incubates innovation-based agricultural technologies. We endeavour to develop an agrifoodtech portfolio of companies that contributes to the targets of SDG 2 (Zero Hunger) such as 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 endeavour 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 our investments 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 United States. 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, colour, 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 justicefor all and build effective, accountable and inclusive institutions for all."	We commit 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.

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PORTFOLIO COMPANIES' SUSTAINABILITY IMPACT

A few of our medtech portfolio companies are actively engaged in creating medical devices and technologies that are minimally invasive and therefore help preserve and improve the human condition. Powered by modern technological techniques, these companies have been able to address salient problems in the healthcare industry. Similarly, our agrifood tech portfolio companies are committed to promoting sustainable agriculture and food production through innovative solutions. Such initiatives have helped greatly to decrease costs, ease the burden on healthcare systems, decrease carbon emissions, improve supply efficiency, and preserve the overall environment.

SDG Mapping for Portfolio Companies

To ensure effective implementation and tracking of ESG efforts, we work with our portfolio companies to develop detailed SDG mapping. This helps the companies focus on their ESG goals, work more efficiently, and generate material impact. The following section illustrates a detailed mapping of our two portfolio companies, PreganTech and AgroScout, in terms of their contribution to the UN SDGs.

PregnanTech (www.pregnantech.com), in the medtech space, has developed a game-changing device called LIONESS that uses advanced technology to delay preterm birth. As the most catastrophic complication of pregnancies and the leading cause of morbidity in children, preterm birth becomes a huge financial and emotional burden on families, communities, and overall healthcare systems. With the LIONESS PregnanTech has moved a step closer to their aim of revolutionising obstetrics and newborn paediatric medicine. The images below showcase PreganTech's SDG mappings and goals.

PregnanTech
Your Pregnancy. Our Focus.

PregnanTech's ESG

PregnanTech developed a novel technology for delaying preterm birth, the most common, catastrophic, and costly pregnancy complication for babies, their families, the healthcare systems, and the environment.

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 17 PARTNERSHIPS FOR THE GOALS

SDG goals

1 NO POVERTY

According tothe WHO (World Health Organization) poverty is a risk factor for preterm birth and vice versa. Every year, 1 million preborn babies will become disabled, and hence might suffer from poverty.

3 GOOD HEALTH AND WELL-BEING

PregnanTech reduces the rate of preterm birth, the most common, catastrophic, costly pregnancy complication. It is the leading cause of global morbidity in children and lifelong morbidities like breathing and feeding disorders, and neurological impairments.

5 GENDER EQUALITY

Mothers of preborn and disabled babies are more vulnerable and exposed to inequality. PregnanTech reduces the rate of preterm birth and allows motherss to maintain life similar to other women around them.

8 DECENT WORK AND ECONOMIC GROWTH

Mothers of preborn or disabled children are, in many cases, forced to quit their jobs or compromise on a lower income. PregnanTech increased the chances of mothers having a regular birth and maintaining their ragular jobs.

10 REDUCED INEQUALITIES

Every year, 1 million preborn babies become disabled and are likely to suffer from inequality. PregnanTech reduces the rate of preterm birth and hence, the number of disabled children.

11 SUSTAINABLE CITIES AND COMMUNITIES

The healthcare systems' spending on birth varies between US$4K from full-term birth to US$549K for birth in the 24th week. PregnanTech drastically increases the chance to have a full-term birth and reduces the extreme load on healthcare services and the environment due to saved hospitalization.

Sustainability Report

SDG goals

17 PARTNERSHIPS FOR THE GOALS

PregnanTech is a smart and simple device that can be simply implemented by doctors in their clinics, all over the world, regardless of the availability of sophisticated and advanced hospitals. This is extremely significant in the least developed countries where women are at higher risk for preterm birth, while there is insufficient infrastructure to support them.

Another of our portfolio companies, AgroScout (agro-scout.com), has been actively working towards empowering the agriculture value chain by promoting precise decision-making using data and artifical intelligence. Their insights help farmers improve operations, boost revenue and most importantly, protect the environment by reducing the use of chemicals, waste, and carbon emissions, while increasing yield efficiency.

AgroScout
Detection Done Right

AgroScout's ESG

AgroScout's Precision Agriculture helps farmers anywhere in the world increase their yield while saving resources and minimizing damages to the environment.

2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

SDG goals

2 ZERO HUNGER

AgroScout helps increase production in agriculture systerms and sustainable intensification of food systerms to meet global needs by managing and monitoring regenerative practices.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

AgroScout provides the farmer with online and accurate data that enables the use of the right chemicals and only to the extent needed.

3 GOOD HEALTH AND WELL-BEING

AgroScout enables smart and accurate use of chemicals only if and when needed, thus reducing the number of residual chemicals in our food and improving consumer's health and well-being.

15 LIFE ON LAND

AgroScout helps farmers restore soil biodiversity in their lands, providing tools for robust regenerative agriculture practices.

6 CLEAN WATER AND SANITATION

AgroScout helps reduce use of agricultural chemicals reaching groundwater by monitoring land nutrients and crop pest applications efficiently.

17 PARTNERSHIPS FOR THE GOALS

AgroScout can be used anywhere. With our advanced AI capabilities and simple-to-use technology, farmers anywhere in the world can enjoy state-of-the-art technology.

Sustainability Report

AgroScout has also referenced the Climate Challenge Map developed by PLANETech (www.planetech.org/challenge-areas), which is a detailed framework showcasing the major challenges to climate change mitigation and adaptation across four main areas of Built Environment, Materials and Manufacturing, Land Use, and Nature.

PLANETech Climate Challenge Map		
 AgroScout helps optimize water usage by monitoring over-irrigation or water leakage.	 AgroScout utilizes powerful AI and Machine Learning tools to optimize usage of land, water and fertilizer.	 AgroScout provides accurate data in real-time that helps farmers use fertilizers only where and when needed, thus directly improving soil health.

Besides PregnanTech and AgroScout, another 20 companies began their ESG journey and started mapping their SDGs in FY2022. Trendlines invests primarily in innovations in agrifood technologies and healthcare, which means most of our companies are developing technologies and products that improve people's lives and livelihoods. As companies mature, they are increasingly devoting more resources to formulating their ESG strategies and engagement.

Trendlines recognises the importance that ESG is starting to command in today's world and thus encourages our portfolio companies to consider sustainability matters at every stage of their decision-making including processes, manufacturing, and general development. Trendlines also brings experts on sustainability to discuss trends and regulations to help portfolio companies incorporate the latest insights and good practices into their processes and narratives.

STAKEHOLDER ENGAGEMENT

Overview of Stakeholder Engagement

Stakeholders play an integral part in the development of a successful investment portfolio. This is particularly true for Trendlines as we target companies in the agrifood and medtech sectors, which are essential industries. The process of identifying companies with transformational potential, and subsequently nurturing them to maturity and market readiness requires a concerted effort by various stakeholders. We take proactive steps to build and deepen connections with entrepreneurs, investors, government agencies, and multinational corporations. The alignment of priorities between Trendlines and our stakeholders is crucial to generating sustainable long-term value for all parties.

Since the COVID-19 pandemic, our overall communications moved to the digital space. Today, we have a comprehensive communication strategy in place that enables us to reach a broader range of people in a more effective manner. Our digital platforms encompass social media channels, online newsletters, website updates and virtual events. These digital channels have complemented traditional communication methods, and we have seen an increase in stakeholder interaction and participation.

Investors

We are dedicated to building long-term trust and confidence with our investors through our investor communications programme. We understand the importance of timely, transparent, and accurate disclosure of material information to the investment community. We adopt a multi-channel approach in communicating to our investors, including the use of digital technologies. Over and above complying with the applicable legal and regulatory requirements, Trendlines is constantly looking to improve our investor relations programme by benchmarking ourselves to best practices in the industry.

We maintain regular engagements through the disclosure of half-yearly announcements which entail financial statements, management commentaries, presentation slides and press releases. We also hold periodic online calls to provide stakeholders with the opportunity to interact with management and to have their questions answered. See our Investor Relations section and Business Review section for full information.

Sustainability Report

Employees

We believe that our long-term success will depend on the contributions of our employees and their commitments to corporate strategic priorities. 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. This 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.

Details of our employees' demographics and diversity are in the Business Review section of the Annual Report. Our employee count of 39 as of December 2022 included one member of staff employed through an agency and working exclusively for Trendlines.

Portfolio Companies

We set the standards for our portfolio companies regarding communication with the public. On behalf of our portfolio companies, we disclose material information through monthly and quarterly updates to our investors about new corporate developments as well as the progress of ongoing developments in these companies. We engage regularly with our portfolio companies to understand their challenges and constraints and, whenever possible, to recommend and advise on potential solutions. To ensure strategic management and instil good governance practices, members of Trendlines' management team sit on the boards of directors of most of our portfolio companies.

Government and Industry

Given our exposure to the agrifood and healthcare sectors, which are essential industries and often under the close purview of governments, we maintain frequent communication with political officeholders, government officials and regulators. We regularly take part in working groups and consultation forums, using these platforms to bring up industry issues and challenges faced by portfolio companies. For example, we are actively involved in the writing of a policy report directed at governmental levels for planning a sustainable and fair transition resulting from the adoption of new technologies in agriculture and its effects on the traditional agricultural and food sector.

We keep in close contact with the IIA, a government agency in Israel, and follow up on the latest updates to its investment programs, which provide further avenues for our portfolio companies to raise additional funding when needed.

We also actively communicate with government agencies in Singapore to understand the latest industry developments and changes to grants and other incentives. In Singapore we have numerous collaborations with hospitals and health maintenance organizations.

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

- Israel Innovation Authority (incubator license).
- PLANETech (discussed 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 ("SIIRD") (cooperation).
- GrowingIL, part of Israel Innovation Institute (cooperation and running of AgriVest Conference).
- Ecommunity – a mission-driven corporation located at the Misgav Business Park that employs persons with disabilities to recycle and upcycle e-waste (support).
- PresenTense – an Israel-based non-profit that promotes an inclusive society, one where diverse communities are equally represented in the entrepreneurial ecosystem in Israel, known as the 'Startup Nation' (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).

Local Communities

At Trendlines, we approach local communities through the lens of innovation. Our outreach programmes are generally centred on cultivating an innovative and entrepreneurial culture. We believe the influx of new and better technologies can have exponential benefits to society in terms of improving the standards of living, which is particularly true when it comes to agrifood and healthcare.

Sustainability Report

Trendlines founded and continues to run the AgriVest Conference, Israel's premier agritech event. AgriVest 2022 took place on 8 November in Tel Aviv, celebrating its tenth anniversary. The event was sold out with more than 850 attendees, including 300 from overseas. Two of our portfolio companies – AgroScout and Projini – were among the presenting companies at the conference.

Through our collaboration with PresenTense, in 2022, Trendlines assisted medical technology entrepreneurs at the beginning of their journey.

We also participated in a Shark Tank event where 4-5 "sharks" gave feedback on the pitches of 9 technology founders in their preparation for an investors Demo Day. Tamar Shafir, PhD, our Director of Agrifood Technologies in Israel was one of the "sharks".

Nitza Kardish PhD, participated in the SFA committee about the food future of Singapore. She was also the keynote speaker at The Global Agri-food Scientific Symposium organized by Singapore Food Agency as part of the Singapore International Agri-food Week 2022.

In November 2022, Nitza joined the Israeli delegation to the COP 27 in Sharm El Sheikh where she moderated a panel on technology's role in agriculture for climate mitigation.

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 2022, six portfolio companies granted options to Tmura, giving us a total of 58 portfolio companies that have granted options to Tmura.

During 2022, international study delegations and local students and organizations made visits to our headquarters 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.

AgriVest 2022 celebrated 10 years since its inception with the biggest conference to date.

Nitza Kardish, PhD represented Israel and Trendlines at the COP 27 United Nations Climate Change Conference to discuss Israel's agricultural technologies in the context of climate change.

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. The material issues identified then were management of portfolio companies, business ethics and regulatory compliance.

Since that time, we have reviewed 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:

1. We do a broad scan to identify sustainability issues that are relevant to our business.
2. We prioritize the issues based on their relative importance to Trendlines and how they impact the assessment and decisions of our stakeholders.
3. The shortlisted material issues are presented to the Board for validation and approval.
4. Management tracks and reviews the ongoing progress in managing the material issues.

For 2021, we reported on the three material issues of management of portfolio companies, business ethics and regulatory compliance. Managing the impact of COVID-19 was identified as an additional material issue in 2021 for tracking and reporting.

Sustainability Report

For 2022, we assessed that management of portfolio companies, business ethics and regulatory compliance continues to be relevant and material to our business. However, in view of the improving COVID-19 situation globally and the fact that the countries where we operate have eased movement restrictions and health requirements, we decided that COVID-19 was not a material ESG issue in 2022.

The subsequent sections in this report elaborate on the scope of the three material factors and how we managed the related challenges, risks, and opportunities in 2022.

1. MANAGEMENT OF PORTFOLIO COMPANIES

Trendlines promotes responsible and ethical operations among all its portfolio companies. We help companies establish strong governance pillars using comprehensive risk management and compliance frameworks. Subsequently, we aim to improve on this foundation through regular performance measurement and evaluations. To maximize returns for all stakeholders in a sustainable manner, it is important to identify potential risks, concerns and warning signs early on. We use a coding system to determine which companies need intervention in which areas. In the short-term (2023), our targets are to map the companies that are considered at risk in a certain area and to note the intervention planned to mitigate the risk. In the medium-term, our targets are to follow up on the interventions put in place. In the long-term, our targets are to analyze which interventions were implemented, and establish whether these interventions had an influence on the progress of the portfolio companies.

We follow the status of our portfolio firms closely, through monthly and quarterly meetings, to make sure we are aware of any relevant developments. Our incubators offer a variety of services in the fields of business development, technology development, marketing, communications, finance, and administration. As a result, we nurture the growth of our portfolio companies in both their early and growth stages. Continuous operational assistance and evaluations conducted by our team help our portfolio companies get a better grasp of their business goals, rules, and processes. Other support areas include:

- 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 pilot sites.
- Providing corporate services support, such as accounting and office space.

In FY2022, our portfolio companies (including portfolio companies of the managed venture funds) raised over US$92 million. This exemplifies investor confidence in the vast potential that our portfolio companies hold as they grow beyond the incubation period and also our successful value-add as advisors.

To help our portfolio companies navigate through different stages of growth, we have put in place business continuity and contingency plans. These are discussed at length with our companies to allow them to customize their plans to cater to the ever-changing operational needs and environment of their respective businesses.

Ensuring Good Governance in Dealing with Portfolio Companies

Our comprehensive life cycle approach to ensuring strong governance begins at the due diligence stage. We start by thoroughly evaluating multiple aspects of a business to decide on which companies to invest in. These assessments are conducted at regular intervals even after our investments are made in new companies.

Accountability to the investors is of utmost importance to us. Our due diligence process facilitates responsible portfolio management and promotes prudent investment decision-making. Such decisions are made by assessing investment risks based on 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 – this 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 their 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 intellectual property assets and strategy.
5. We evaluate the exit potential of the company.

Sustainability Report

As corporate advisors and shareholders, we strive to build a culture of open communication and engagement with our portfolio companies to help them grow to their true potential. Towards this goal, we track the following targets.

Table 5: Communication and Engagement Targets for Portfolio Companies

Focus Area	Target	2022 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 2022, 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 2022, 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.	***Achieved*** The Trendlines' representative on the companies' boards remind the respective CEOs to ensure that such regular communications is carried out. We will also set up a checklist to ensure compliance with this.

Due to a lack of resources this year, we have not yet managed to set targets for the medium and long-term horizons. We will endeavor to include targets for this material component in the coming year's report.

2. BUSINESS ETHICS

At Trendlines, we are committed to upholding high standards of ethics and integrity, and by doing so, act as a good role model to all our portfolio companies. Several key corporate policies have been established, which articulate standards of behaviour expected of our employees regarding honesty, integrity, and accountability. The Board reviews these policies on an annual basis to ensure their relevance.

In 2023 we aim to include an anti-discrimination policy to ensure that both with the Trendlines Group and within our portfolio companies we create and maintain a work environment that is free from discrimination, harassment and retaliation. This policy will be reviewed by the Board as a target for implementation in the coming year.

Due to a lack of resources this year, we have not yet managed to set targets for the medium and long-term horizons. We will endeavor to complete these targets in the coming year.

Table 6: Corporate Policies

Type of Policies	Guidance Provided
Code of Business Conduct and Ethics Policy	The Company's Code of Business Conduct and Ethics Policy serves as guiding principles for all employees to cultivate an ethical work environment. The Policy communicates, in plain language, ways to recognise and resolve any legal or ethical issues encountered at the workplace. In the event of doubt, employees are advised to seek further guidance from a member of the management team or the Company's Audit Committee. ***No adverse reports were received in 2022.***

Sustainability Report

Type of Policies	Guidance Provided
Whistle-blower Policy	The Company's Whistle-blower Policy is intended to create a safe and secure avenue for our employees to raise concerns without the fear of repercussions such as victimization, discrimination, or other disadvantages. This Policy provides a confidential space for our employees to report suspected unethical or illegal behaviour, instead of overlooking these concerns or seeking to resolve them outside the Company. This Policy is applicable to all employees and contractors of Trendlines. This also extends to other stakeholders, including suppliers, customers, and shareholders, giving them a platform to voice their concerns relating to the Company's business conduct. Any concerns raised are submitted to the Chair of the Audit Committee. ***No whistle-blowing reports were received in 2022.***
Anti-Bribery and Anti-Corruption Policy	Trendlines is committed to conducting its businesses in a responsible manner, with a zero-tolerance approach to all forms of corruption and bribery. The Company's Anti-Bribery and Anti-Corruption Policy is compliant with the legislations and jurisdictions of the countries it operates in. In cases where local laws are laxer than the principles set out in the Company's Policy, employees are required to adhere to the stricter regulation (i.e. the Company's Policy in this instance). The Policy entails statements on the 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 adverse reports were received in 2022.***
Diversity Policy for the Board	Please refer to page 61 of the Corporate Governance Section in this Annual Report.

All policies are clearly communicated to our employees, Board members, and relevant third parties who have business dealings with the Company. During the year, we conducted our mandatory annual training on these policies for our employees. The 2-hour training was attended by all employees. Each employee also signed a declaration of understanding, acknowledging his or her participation and comprehension of the training. New hires who did not manage to participate in the annual training took part in a separate training included in their orientation program.

Our corporate governance processes, internal control practices, and risk management guidelines are scrutinized by internal and external audit frameworks to ensure adequacy and effectiveness. In addition, we have in place a comprehensive risk management process which covers the identification and monitoring of potential risks, control measures, and follow-up actions by the Management, as well as the subsequent reporting to the Board for evaluation.

Table 7: Participation in Training

	Name of training session	% Participation
2022	Code of Business Conduct and Ethics Policy	***Achieved*** 100% participation.
	Sustainability Training for the Board	***Achieved*** All Board members participated and received certification on completion of the training series.

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

Table 8: Targets for Business Ethics

Focus Area	Target	2022 Performance
Code of ethics training (including communication to and acknowledgement by employees)	To achieve a 100% participation rate, including getting each employee to sign a declaration of understanding	***Achieved*** We achieved a 100% participation rate and collected signed declarations of understanding from all employees. In addition, all new hires also completed similar training.
Reported incidents of corruption or bribery	Zero incidents	***Achieved*** We did not record any case of corruption or bribery.

3. REGULATORY COMPLIANCE

The Group has and will always continue to believe that accountability to shareholders and upholding our reputation as a trustworthy and respected investor is of paramount importance. Regulatory compliance lies at the heart of achieving this and, therefore, we must treat it as our duty and not just a legal requirement. Trendlines' corporate culture always promotes good corporate governance and strict compliance to laws and regulations of every jurisdiction in which we operate.

Our internal audits review compliance matters and assess the effectiveness of the Group's internal controls and are carried out on a regular and ongoing basis. In 2022, audits were performed in two areas – Securing Means of Payment and Expenses at Trendlines Medical Singapore Pte. Ltd. There were no significant findings of concern reported.

Our target for 2023 (short-term) are audits on:

1. Our purchasing policies
2. An internal review on our Sustainability Report

Due to a lack of resources this year, we have not yet managed to set targets for the medium and long-term horizons. We will endeavor to complete these targets in the coming year.

As a company trading on the Catalist Board of the SGX, Trendlines also has a continuing Sponsor who, 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 complies with the Catalist Rules.

Table 9: Targets for Regulatory Compliance

Focus Area	Target	2022 Performance
Reported incidents of noncompliance relating to laws and regulations, including environmental compliance, socioeconomic compliance and marketing communications	No incidents	***Achieved***

GRI CONTENT INDEX

The Trendlines Group Ltd. has reported in accordance with the GRI Standards for the period 1 January to 31 December 2022.

GRI Standards Disclosures		Reference Pages or Reasons for Omission
GRI 2: General Disclosures 2021		
2-1	Organizational details	Corporate Profile - pages 7-8 and 49-50
2-2	Entities included in the organization's sustainability reporting	About This Report - page 25
2-3	Reporting period, frequency and contact point	About This Report - page 25
2-4	Restatements of information	Nil
2-5	External assurance	About This Report - page 25
2-6	Activities, value chain and other business relationships	Group Structure - pages 49-52
2-7	Employees	Business Review - pages 16, 34
2-8	Workers who are not employees	Stakeholder Engagement - page 34

Sustainability Report

GRI Standards Disclosures		Reference Pages or Reasons for Omission
GRI 2: General Disclosures 2021		
2-9	Governance structure and composition	Governance for Sustainability - page 25
2-10	Nomination and selection of the highest governance body	Corporate Governance Report - page 53
2-11	Chair of the highest governance body	Corporate Governance Report - page 63
2-12	Role of the highest governance body in overseeing the management of impacts	Governance for Sustainability - page 25
2-13	Delegation of responsibility for managing impacts	Governance for Sustainability - page 25
2-14	Role of the highest governance body in sustainability reporting	Governance for Sustainability - page 25
2-15	Conflicts of interest	Corporate Governance Report - page 79
2-16	Communication of critical concerns	Governance for Sustainability - page 25
2-17	Collective knowledge of the highest governance body	Corporate Governance Report - page 53
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report - page 64
2-19	Remuneration policies	Corporate Governance Report - page 68
2-20	Process to determine remuneration	Corporate Governance Report - page 69
2-21	Annual total compensation ratio	This is currently not tracked
2-22	Statement on sustainable development strategy	Contribution to Sustainable Development - page 25
2-23	Policy commitments	Contribution to Sustainable Development - page 25
2-24	Embedding policy commitments	Contribution to Sustainable Development - page 25
2-25	Processes to remediate negative impacts	Governance for Sustainability - page 25
2-26	Mechanisms for seeking advice and raising concerns	Governance for Sustainability - page 25
2-27	Compliance with laws and regulations	Regulatory Compliance - page 39
2-28	Membership associations	Stakeholder Engagement - page 33
2-29	Approach to stakeholder engagement	Stakeholder Engagement - page 33
2-30	Collective bargaining agreements	No employees are covered by collective bargaining agreements.
GRI 2: Material Topics 2021		
3-1	Process to determine material topics	Materiality Assessment - page 35
3-2	List of material topics	Materiality Assessment - page 35
3-3	Management of material topics	Materiality Assessment - pages 36-39
Topic-Specific Standards		
Business Ethics		
GRI205	Anti-corruption 2016	
205-1	Operations assessed for risks related to corruption	Business Ethics - page 37
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics - pages 37-38
205-3	Confirmed incidents of corruption and actions taken	Business Ethics - pages 37-38

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TCFD REPORTING

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

TCFD Thematic Areas	*Recommended Disclosures*	*References and Remarks*
1. Governance Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	Governance for Sustainability - page 25
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Governance for Sustainability - page 25
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Climate Risk Disclosures - pages 26-27
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Climate Risk Disclosures - pages 26-27
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Trendlines is adopting a progressive strategy towards managing climate-related risks. Scenario analysis will be carried out post-FY2022.
3. Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks	Climate Risk Disclosures - pages 26-27
	b) Describe the organization's processes for managing climate-related risks	Climate Risk Disclosures
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Trendlines is adopting a progressive strategy towards managing climate-related risks. Integration with enterprise risk management will be carried out post-FY2022.
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Trendlines is adopting a progressive strategy towards managing climate-related risks. Identification and disclosure of appropriate metrics will be carried out post-FY2022.
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Trendlines is adopting a progressive strategy towards managing climate-related risks. GHG emissions will be measured and disclosed post-FY2022.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Trendlines is adopting a progressive strategy towards managing climate-related risks. Appropriate targets will be set and disclosed post-FY2022.

Board of Directors

Todd Dollinger

Chair of The Board and Chief Executive Officer

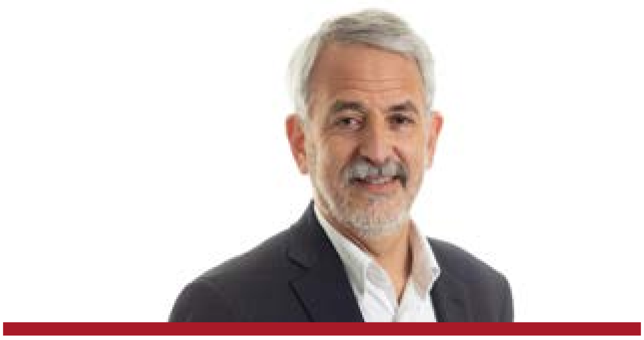
David Todd Dollinger ("**Todd**") was appointed as our Director upon the formation of our Company on 1 May 2007 and was last re-elected to hold dual office as Chair and CEO on 24 February 2016. He was last re-elected as a Director on 17 June 2020 in accordance with the Company's Articles of Association and is due for re-election in April 2023.

Todd serves as the Chair of Trendlines Medical Singapore. He chairs the investment committees of Trendlines Investments Israel, our Singapore-based Trendlines Agrifood Innovation Centre, and the Trendlines Agrifood Fund. Additionally, Todd is a director of and chairs a number of 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 Stephen Louis Rhodes ("**Steve**") in 2007 and shares the positions of Chair and CEO of Trendlines with Steve.

Todd and Steve's partnership began at Israeli medical device start-up SRD Medical Ltd. ("**SRD**"). In 1991, Todd joined SRD's marketing department and went on to become SRD's CEO. 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.



Stephen Louis 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 Investments Israel, as Investment Committee Chair of Trendlines Medical Singapore, as Chair of the Trendlines Agrifood Fund and of Trendlines Agrifood Innovation Centre, based in Singapore. Additionally, Steve is a director of and chairs a number of 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, where he served as its CFO, and later as 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.

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 as a Director 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 also 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 the University of Haifa, 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 the University of Haifa. She holds directorships in Carmel Innovations Ltd.'s subsidiaries as well as in several other companies.

Elka 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. Elka was the Managing Director and general partner at Giza Venture Capital Fund ("**Giza**"), 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, particularly in Asia. Elka also 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

Sin Boon Ann

Independent Director

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

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

Nehama Ronen

Independent Director

Nehama Ronen was appointed as an Independent Director on 6 June 2022. She serves as a Non-Executive Director, member of the Audit Committee, Nominating Committee and Remuneration Committees.

Nehama brings over 20 years of experience as a Board member of public companies. In 1996 she was appointed as the Director General of Israel's Ministry of Environmental Protection, a post she held until June 1999. She served as a member of the Israeli Parliament between 2001 and 2003.

Since 2004, she has held the position of Chair of the Maman Cargo Terminals & Handling Ltd., one of the Israel's leading logistics and commercial cargo handling companies. From 2004 to 2019, Nehama served as the Chair of the ELA Recycling Corporation. Additionally, she served as a director of Bank Hapoalim, Israel's largest bank.

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

Board of Directors

Professor Low Teck Seng

Independent Director

Professor Low Teck Seng ("**Prof. Low**") was appointed as an Independent and Non-Executive Director on 11 August 2022. Professor Low is currently the Senior Vice President at the National University of Singapore. He stepped down as CEO of the National Research Foundation, Singapore, on 5 August 2022, a position he held since 2012. He was previously the Managing Director of A*STAR (2010 – 2012) as well as the founding Principal of Republic Polytechnic (2002 – 2008) and Dean of the Faculty of Engineering in the National University of Singapore (1998 – 2000).

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

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

Sarit Zeevi

Independent Director and External Director

Sarit Zeevi was appointed as an External and Independent Director on 31 January 2023. She serves as a Non-Executive Director replacing Professor Hang Chang Chieh who retired from his position in January 2023.

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

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

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

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

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

Board of Directors

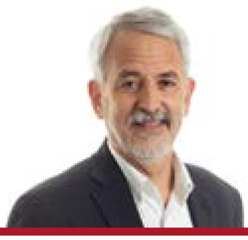
Director and/or Chair Positions Held by Directors in Other Listed Companies (Current and Preceding Three Years)

	Current Directorships	Past Directorships (Preceding 3 Years)
David Todd Dollinger	None	None
Stephen Louis Rhodes	None	None
Zeev Bronfeld	• Protalix BioTherapeutics, Inc. (Chair)	• Electreon Wireless Ltd. (formerly Biomedix Incubator Ltd.) (Director) • D.N.A. Biomedical Solutions Ltd. (Chair) • Entera Bio (Director)
Elka Nir	Zooz Power (Chakratec) Ltd. (Independent Director)	• Hadasit Bio-Holdings Ltd. (Independent Director)
Sin Boon Ann	• CSE Global Limited (Non-Executive Independent Director) • OUE Limited (Non-Executive Non-Independent Director) • Rex International Holding Limited (Lead Independent Director) • TIH Limited (Lead Independent Director WEF 1 January 2021) • Healthway Medical Corporation Limited (Independent Non-Executive Chair) • Sarine Technologies Limited (Independent Non-Executive Director)	• Datapulse Technology Limited (Independent Director) • HRnetGroup Limited (Lead Independent Director)
Nehama Ronen	• Maman Cargo Terminals & Handling Ltd. (Chair) • Tamar Petroleum (Gas Reservoir) (Independent Director) • Dan Public Transportation (Director) • Truck Net – Transportation Start-up (Director)	• Shahal-Telemedicine (External Director) • ADO Real Estate Company in Germany (Director)
Prof. Low Teck Seng	• Key Asic Berhad • UCrest Berhad • Chip Eng Seng Corporation Ltd.	• Excelpoint Technology Ltd • ISEC Healthcare Ltd. [Listed on SGX]
Sarit Zeevi	• Blitz Technologies Ltd., (listed on the Tel Aviv Stock Exchange)	

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 Investments Israel

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

Prior to joining Trendlines, Barak held 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, where she built the agrifood tech investment sector of the Group. From 2018 through 31 January 2019, Nitza served as CEO of Trendlines Incubators Israel and VP of The Trendlines Group. In November 2019, Nitza was named CEO of the Trendlines Agrifood Fund and Vice Chair of AFIC, the Agrifood Innovation Center, both in Singapore. Nitza brings true passion to her mission that we must change for a better world, together with the humble realization that we are a single piece of a huge and complex, global agrifoodtech puzzle.

A plant geneticist, Nitza has more than 28 years of experience working in senior management positions at life science companies. 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

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 Trendlines' CFO in 2018, Haim served as Trendlines' controller for four years.

Previously Haim served as CEO and CFO at ACP Ltd., an industrial company manufacturing and distributing air-conditioning products. 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.

Eric Loh

CEO, Trendlines Medical Singapore

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

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

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

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

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

Eric holds an MSc in Medical Engineering and a BEng (Hons), both from the National University of Singapore, and is a graduate of an Executive MBA program affiliated with the Helsinki School of Economics. He is a CFA charter holder and an associate chartered valuer and appraiser of the Institute of Valuers and Appraisers (IVAS), Singapore.

Kobby Greenberg

CEO, Trendlines Innovation Labs

Kobby brings 25 years of experience in the medical device industry. Kobby joined Trendlines as CEO of Seger Surgical Solutions, a company developing a laparoscopic bowel closure device. Kobby has worked closely within the Innovation Labs team over the past few years and served as Director of Project Management for the last 3 years.

Prior to his work at Trendlines, Kobby's former positions include CEO, Cleanoscope; VP R&D, Niti Surgical; mechanical design consultant for KG Holdings, Aran and KTI Technologies.

Kobby holds a BSc. and MSc. in Mechanical Engineering from the Technion, Israel, and an MBA from Bar-Ilan University, Israel.

Corporate Information

Board Of 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

Sin Boon Ann
Independent Director

Nehama Ronen
Independent Director

Prof. Low Teck Seng
Independent Director

Sarit Zeevi
External Director and Independent Director

Board Committees

Audit Committee

Elka Nir, *Chair*
Sin Boon Ann
Nehama Ronen
Sarit Zeevi

Nominating Committee

Elka Nir, *Chair*
Steve Rhodes
Nehama Ronen
Sin Boon Ann

Remuneration Committee

Sarit Zeevi, *Chair*
Elka Nir
Prof Low

Joint Company Secretaries

Eunice Hooi Lai Fann
Haim Brosh

Registered Office

The Trendlines Building Misgav Business Park 17 T'chelet Street
M.P. Misgav 2017400, Israel Tel: +972.72.260.7000
info@trendlines.com
www.trendlines.com
Reg. No. 513970947

Sponsor

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

Auditor

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

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue, #14-07 Keppel Bay Tower Singapore 098632
Tel: +65.6536.5355

Principal Banker

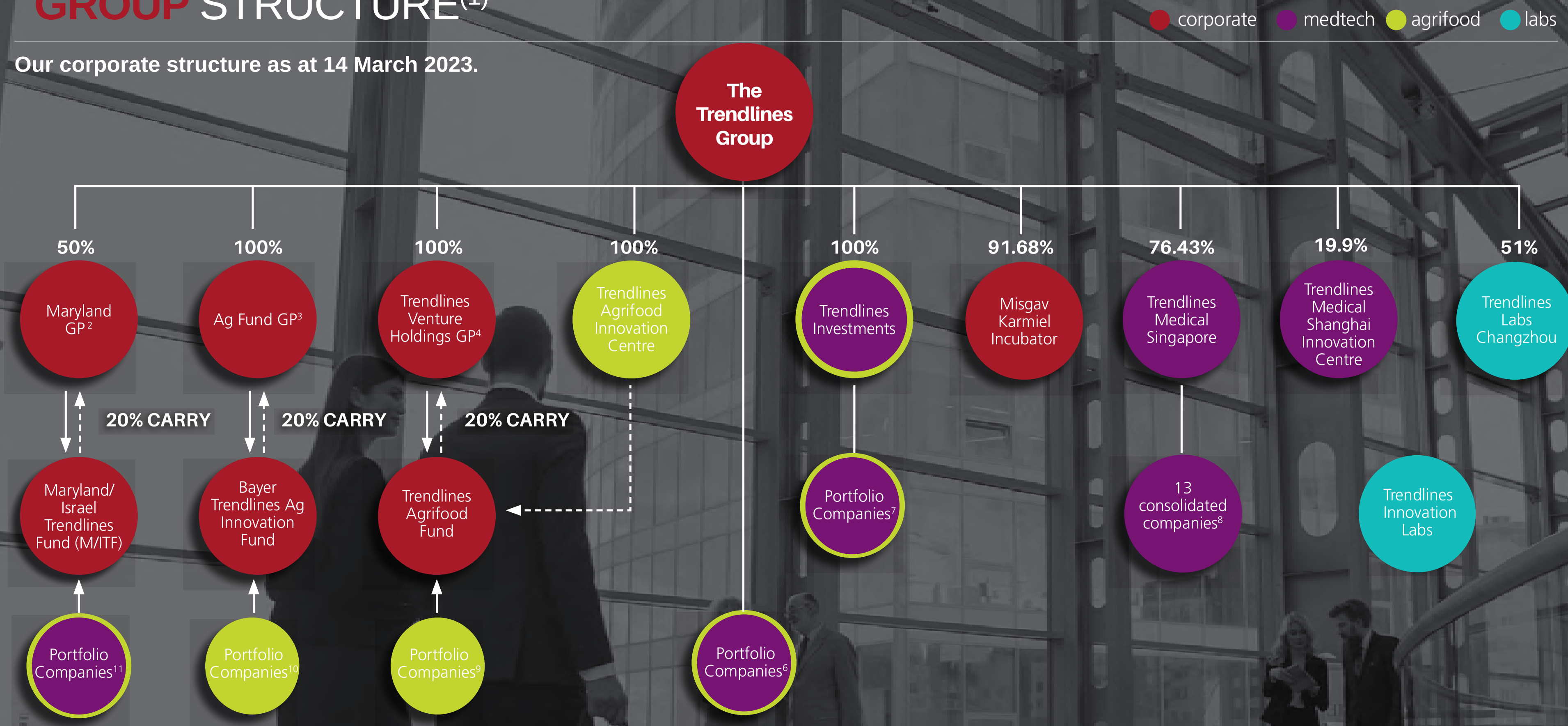
The Bank of East Asia, Limited 60 Robinson Road, BEA Building Singapore 068892

Depositary Bank

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

GROUP STRUCTURE[1]

Our corporate structure as at 14 March 2023.



(1) See the complete list of portfolio companies in the tables on pages 51 and 52.

(2) Maryland GP is a Maryland limited liability company which is the general partner of the M/ITF, a Maryland limited partnership and has invested in certain of our portfolio companies. The remaining 50% shareholding in Maryland GP is held by Maryland/Israel Development Corporation, an unrelated third party. In its capacity as the general partner ("GP") of M/ITF, Maryland GP is entitled to receive 20% of distributions (cash or property) made by M/ITF as carried interest ("20% Carry"), after all the limited partners in M/ITF have received in aggregate distributions equal to their capital contributions to M/ITF.

(3) Ag Fund GP acts as the GP of an Israeli limited partnership, the Bayer Trendlines Ag Fund. 100% of the interest in the Bayer Trendlines Ag Fund is held by Bayer Crop Science LP, an unrelated third party. In its capacity as the GP of the Bayer Trendlines Ag Fund, Ag Fund GP is entitled to receive 20% of distributions made by the Bayer Trendlines Ag Fund as carried interest, after all the partners have received in aggregate distributions equal to their respective capital Contributions to the Bayer Trendlines Ag Fund. In addition, in its capacity as the GP of the Bayer Trendlines Ag Fund, Ag Fund GP has the sole, complete and exclusive right, power and discretion to operate, manage, and control the affairs and property of the Bayer Trendlines Ag Fund and to make all decisions concerning the operations and business of the Bayer Trendlines Ag Fund.

(4) Trendlines Venture Holdings Ltd., a company incorporated under the laws of the Cayman Islands, is a wholly-owned subsidiary of The Trendlines Group Ltd period and acts as the general partner of Trendlines Agrifood Fund Pte. Ltd., an investment fund constituted as a Singapore private limited company limited by shares. After distributions to the shareholders of the Fund in proportion to their respective capital contributions and the fulfilment of a hurdle rate of 6%, the general partner is entitled to receive a catch-up of 25%; thereafter the general partner is entitled to a performance fee of 20% (the carried interest).

(5) 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 our commercial partners.

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

(7) Portfolio companies held by Trendlines Investments (see Table B).

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

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

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

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

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	26.19	21.70
Celleste	30.65	28.06
Ceretrieve	28.66	25.42
ElastiMed	36.63	32.13
Escala	49.30	41.90
Fidmi	44.26	42.84
FruitSpec	25.10	21.56
Gordian	18.53	15.77
Hargol	23.70	22.99
liberDi	46.83	36.88
Limaca	53.90	42.80
MetoMotion	31.68	29.46
Omeq	32.26	28.75
ProArc	18.65	15.83
Seger	49.92	47.17
SenterCare	50.00	45.00
SetBone	50.00	46.90
ST Stent	28.90	21.19
Vensica	13.37	11.91
Vessi	48.70	45.42
ZygoFix	49.71	42.41

Table B – Portfolio Companies of Trendlines Investments Israel	Outstanding Holdings %	Fully Diluted Holdings %
AquiNovo	46.62	37.87
BeCapio	82.83	74.17
BioFishency	15.52	12.07
CoreBone	38.83	31.32
Dasyo	44.00	42.02
EcoPhage	46.76	38.77
GreenSpense	13.24	13.24
Harp	73.18	65.50
IBI Ag	35.12	32.75
Leviticus Cardio	20.07	16.61
Magdent	3.75	2.60
miRobot	30.36	24.03
Phytolon	36.60	29.98
PregnanTech	73.13	69.46
ProJini	48.98	43.78
Saturas	12.59	8.80
Sol Chip	29.59	25.82
Solveat	50.92	40.02
STFix	77.14	67.50
TierraSpec	62.03	53.90
ViAqua	14.19	11.78
VisageX	47.79	45.80

Group Structure

Table C – Consolidated Companies of Trendlines Medical Singapore	Trendlines Medical Singapore Holdings		The Trendlines Group Holdings	
	Outstanding Holdings %	Fully Diluted Holdings %	Outstanding Holdings %	Fully Diluted Holdings %
Avir	49.00	44.08	36.00	35.97
Ayzer Sense	70.00	77.63	00.00	00.00
Continale	36.11	31.71	63.89	61.34
Dermacut	62.50	50.74	37.50	37.50
EndoSiQ	65.00	46.46	35.00	35.00
interVaal	16.12	45.46	80.60	46.07
Medulla	60.00	55.16	40.00	38.93
NasoTrak	68.24	52.22	31.76	29.77
NICE	80.00	60.21	20.00	19.60
OccuTrack	66.90	52.68	33.10	28.47
STeP	60.00	45.40	40.00	37.60
Szone	55.06	40.28	44.94	44.53
TendonPlus	62.50	49.58	37.50	35.28

Table D – Portfolio Companies of the Trendlines Agrifood Fund	Outstanding Holdings %	Fully Diluted Holdings %
Equinom	3.85	3.30
Saturas[1]	4.21	4.27
Insectta[2]	30.06	30.06
Agwa Farm	12.65	10.80
Mycovation[3]	20.00	20.00
PlanetWatchers	11.08	8.14
AgriG8[4]	24.45	22.68
Phytolon	4.50	3.68
Peptobiotics[5]	0.00	0.00

Table E – Portfolio Companies of the Bayer Trendlines Ag Innovation Fund[6]	Outstanding Holdings %	Fully Diluted holdings %
IBI Ag	47.84	44.61
EcoPhage	28.65	23.80
ProJini	31.39	28.06
TierraSpec	11.51	10.00

Table F – Portfolio Companies of the MaryLand/Israel Trendlines Fund	Outstanding Holdings %	Fully Diluted Holdings %
ProArc	3.60	3.22
GreenSpense	1.81	1.81
Leviticus Cardio	5.95	4.92

1. Also held by Trendlines Investments Israel (8.80%).
2. Also held by the Trendlines Agrifood Innovation Centre (5%).
3. Also held by the Trendlines Agrifood Innovation Centre (4%).
4. Also held by the Trendlines Agrifood Innovation Centre (8.16%).
5. Only SAFE investments.
6. All companies held by Trendlines Investments Israel (32.75%, 38.77%, 43.78%, 53.90%, respectively).

Corporate Governance Report

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

The Company has complied with the principles and provisions as set out in the Code of Corporate Governance 2018 (the "**2018 Code**") and the accompanying Practice Guidance (the "**Practice Guidance**"), as well as the 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 2022 (the "**FY2022**") with specific reference made to the principles and provisions of the 2018 Code and the Practice Guidance, where applicable. Where there are any deviations from the 2018 Code land/or the Practice Guidance, appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below.

1. BOARD MATTERS

The Board's Conduct of Affairs

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

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

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

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

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

Corporate Governance Report

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

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

Name of Director	Designation	Date of Appointment	Date of Last Re-Appointment
Mr. David Todd Dollinger	Chief Executive Officer and Chair of the Board*	1 May 2007	17 June 2020
Mr. Stephen Louis Rhodes	Chief Executive Officer and Chair of the Board*	1 May 2007	22 April 2021
Mr. Zeev Bronfeld	Non-Executive Director*	1 May 2007	17 June 2020
Ms. Elka Nir	External Director (Lead Independent Director)	15 October 2015	4 March 2022
Mr. Sin Boon Ann	Independent Director	17 June 2020	–
Ms. Nehama Ronen	Independent Director	7 June 2022	–
Mr. Low Teck Seng	Independent Director	11 August 2022	–
Ms. Sarit Zeevi	External Director (Independent Director)	31 January 2023	–

* Mr. Zeev Bronfeld, Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes shareholdings as at 16 February 2023 are stated on page 172 of statistics of shareholdings section of the Annual Report.

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 trainings to develop and maintain their skills and knowledge at the Company's expense.

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

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

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

Corporate Governance Report

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

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

To ensure Directors can fulfil their obligations and continuously improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. Directors are encouraged to consult the 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.

Board members had attended the following trainings during 2022:

- Activities and developments on two portfolio companies, Phytolon and Arcuro on 9 June 2022.
- SGX reporting in relation to the disclosure requirements for a listed company on 17 November 2022.
- Sustainability training enrichment on 15 December 2022.

In addition to the above trainings, Mr. David Todd Dollinger, Mr. Stephen Louis Rhodes, Mr. Zeev Bronfeld, Ms. Elka Nir, and Ms. Nehama Ronen attended Sustainability E-Training for Directors conducted by ISCA Institute of Singapore Chartered Accountants and SAC Capital during 2022, Mr. Sin Boon Ann and Mr. Low Teck Seng attended Listed Entity Director Program- Environmental, Social and Governance Essentials Core Module conducted by Singapore Institute of Directors, in order to meet the enhanced sustainability reporting rules that mandated sustainability training for all directors of issuers listed on SGX-ST.

Provision 1.3 of the 2018 Code: Matters requiring Board approval.
Matters reserved for the Board's decision are specified in detail under the Israeli Companies Law and the Company's Articles of Association (the "**Articles**"), which provides that the Company's business and affairs are managed under the direction and oversight of the Board, including to exercise all powers and take all actions that are not specifically granted to the Shareholders of the Company. The Board determines the Company's policies and supervises the performance of 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 that the Company is authorized to obtain;
- determine the Company's organizational structure and remuneration policy;
- resolve to issue series of debentures;
- report to the Company's Shareholders on the status of the Company's affairs and the results of its business operations at its annual general meetings ("**AGM**");

Corporate Governance Report

- 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.

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

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

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

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

	AC	NC*	RC*
Chair	Ms. Elka Nir	Ms. Elka Nir	Ms. Sarit Zeevi
Member	Mr. Sin Boon Ann	Ms. Nehama Ronen	Prof. Low Teck Seng
Member	Ms. Nehama Ronen	Mr. Sin Boon Ann	Ms. Elka Nir
Member	Ms. Sarit Zeevi	Mr. Stephen Louis Rhodes	–

* At the Board meeting held on 21 February 2023, the Board had approved following changes to the composition of the NC and RC:

- Ms. Elka Nir ceased as the RC Chair, and remained as a member of the RC. She was appointed as the NC Chair.
- Ms Sarit Zeevi ceased as a member of the NC, and she was appointed as the RC Chair.
- Ms Nehama Ronen ceased as a member of the RC.
- Prof. Low Teck Seng was appointed as a member of the RC.

Corporate Governance Report

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

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

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

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

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

During FY2022, four NC meetings were held to consider and approve the various changes to the management team, the Board and Board Committees.

Corporate Governance Report

The Directors' attendance at the meetings of the Board and Board Committees, as well as the frequency of such meetings held during FY2022 are as follows:

	Board	AC	NC	RC	AGM	SGM
Number of meetings held(*)	**6**	**5**	**4**	**4**	**1**	**3**
Name of Director	**Number of meetings attended**					
Mr. David Todd Dollinger	6	–	–	–	0	1
Mr. Stephen Louis Rhodes	6	–	4	–	1	2
Mr. Zeev Bronfeld	6	–	–	–	–	–
Ms. Elka Nir	6	5	4	4	1	1
Prof. Stephen Philip Haslett (Retired on 13 April March 2022)	2	1	2	2	–	–
Prof. Hang Chang Chieh (Retired on 31 January 2023)	6	5	4	4	–	–
Mr. Sin Boon Ann	6	5	4	–	–	–
Ms. Nehama Ronen (Appointed on 7 June 2022)	4	4	2	2	–	–
Prof. Low Teck Seng (Appointed on 11 August 2022)	2	–	–	–	–	–

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 multiple board representations, and principal commitments, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. In addressing competing time commitments faced when a Director serve on multiple boards, the NC has determined that each Director should hold not more than six (6) listed company board representations, unless otherwise approved by the NC under special circumstances. In accordance with the foregoing, and in light of the prominent and , vast business and legal experience which Mr. Sin Boon Ann brings to the Company as well as his high participation rate in the meetings of the Company, the NC and the Board have determined that despite Mr. Sin Boon Ann's directorship in 7 listed companies, Mr. Sin Boon Ann is able to adequately carry out his duties as director of the Company.

The details of directorships and/or Chairmanships in other listed companies and other principal commitments for the Directors of the Company are set out in the Board of Directors section of the Annual Report (page 42). The NC has addressed the competing time commitments faced by Directors serving on multiple boards and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

Corporate Governance Report

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

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

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

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

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

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

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

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

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

All Directors have separate and independent access to the management, other KMPs, independent external auditors (Ernst & Young LLP (Singapore), a member of Ernst & Young Global ("**EY Singapore**") and Messrs. Kost Forer Gabbay & Kasierer ("**EY Israel**"), other independent professional advisors and the joint Company Secretaries namely, Mr. Haim Brosh, the Company's Israeli Secretary, as well as the Company's Singaporean Secretary, Ms Eunice Hooi Lai Fann, who was appointed on 1 December 2022 in place of Mr Leong Chang Hong (collectively, the "**Company Secretaries**"), via telephone, e-mails and meetings. Any additional materials or information requested by the Directors are promptly furnished.

The role of the Company Secretaries includes, inter-alia, responsibility for ensuring that Board procedures are followed and that applicable rules and regulations are complied with, specifically, the Company's Israeli Secretary is responsible for ensuring the Company's compliance with applicable Israeli rules and regulations, and the Company's Singaporean Secretary is responsible with respect to the Company's compliance with applicable Singapore rules and regulations governing listed issuers on the SGX-ST. Under the direction of the 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.

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

Corporate Governance Report

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 FY2022.

Board Composition and Guidance

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

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

For FY2022, none of the Company's Independent Directors has served as a member of the Board for more than nine consecutive years since the date of his or her first appointment. Ms. Elka Nir was first appointed to the Board as Independent Director on 15 October 2015, and the remaining Independent Directors, Mr. Sin Boon Ann, Ms. Nehama Ronen and Professor Low Teck Seng were appointed to the Board in 17 June 2020, 7 June 2022 and 11 August 2022 respectively. Ms. Sarit Zeevi was recently appointed to the Board as Independent Director on 31 January 2023.

The NC has received and reviewed the annual confirmation of independence from each Independent Director as well as at their respective date of appointment for the newly appointed Independent Directors. As majority of the Board (five out of the eight 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 Independent Directors have confirmed their independence by providing the Company with written declarations in accordance with the Israeli Companies Law and the 2018 Code. The Board has reviewed and confirmed the independence of the Independent Directors, namely Ms. Elka Nir, Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng and Ms. Sarit Zeevi.

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

Provisions 2.2 and 2.3 of the 2018 Code: 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., five out of eight Directors) during FY2022. Professor Stephen Philip Haslett retired as an Independent Director on 13 April 2022 and two new Independent Directors were appointed in June 2022 and August 2022.

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., six out of eight Directors) during FY2022.

Corporate Governance Report

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

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

The Independent Directors are also the non-executive Directors of the Company. The Company's Non-Executive Directors, namely, Ms. Elka Nir, Professor Stephen Philip Haslett (retired as a director on 13 April 2022), Professor Hang Chang Chieh (retired as a director on 31 January 2023), Mr. Zeev Bronfeld , Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng and Ms. Sarit Zeevi are professionals 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, the majority of the Non- Executive Directors also sit on the various Board Committees and provide constructive input and oversight of the Company and its management.

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

Practice Guidance 1 of the 2018 Code: Director competencies.

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

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

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

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

The Board is responsible for determining the minimum number of Directors, who should have accounting and financial expertise. In determining the number of Directors required to have accounting and financial expertise, the Company's Board must consider, amongst other things, the type and size of the Company, the scope and complexity of its operations and the number of its Directors. 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.

Corporate Governance Report

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

The NC and the Board are cognizant of the recommendations as set out under Provision 2.4 and Practice Guidance 2 of the 2018 Code and are of the view that the above-mentioned practices adopted by the Company is consistent with the intent of Principle 2 of the 2018 Code. The Board aims to have an appropriate mix of members with complementary skills, core competencies and experience for the Company as required by the 2018 Code, regardless of gender. The Board'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, knowledge and diversity to lead and govern the Group effectively. As such, the NC is of the view that the Company does not need any additional targets or plans to further diversify its Board composition. Notwithstanding, the NC will monitor the Board's composition on an annual basis in conjunction with its Board Diversity Policy and where necessary, set such additional targets and timelines, if needed.

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 42 to 45 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 had met or communicated amongst themselves without the presence of the management during FY2022. 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 FY2022, the Non-Executive Directors met on 22 February 2022 and on 17 November 2022 without the presence of KMPs. The Chair of such meeting provides feedback to the Board and/or its Chair as appropriate.

Corporate Governance Report

Chair and Chief Executive Officer

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

Provision 3.1 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 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:

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

Mr. Stephen Louis Rhodes, who is a NC member, had abstain from all discussions and decisions concerning his own appointment as the Company's CEO and Chair of the Board.

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 Singapore.

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.

Corporate Governance Report

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 four 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.

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

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

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

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

Provision 4.3 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.

Corporate Governance Report

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

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

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

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

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

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

i. The Group I Directors are Mr. Sin Boon Ann and Ms. Nehama Ronen. Mr. Sin Boon Ann was first elected on 17 June 2020 and his term of office will expire at the Company's forthcoming AGM in April 2023 when his successor will be deemed as qualified and elected or he will be re-elected. Ms. Nehama Ronen was first elected on 7 June 2022 and her re-election will be subject to shareholders' approval at the forthcoming AGM in April 2023.

ii. The Group II Directors are Messrs. David Todd Dollinger and Zeev Bronfeld, who were re-elected at the Company's AGM held on 17 June 2020 and their term of office will expire at the next AGM to be held in April 2023 and when their successor will be elected and qualified or they will be re-elected;

iii. The Group III Directors are Mr. Stephen Louis Rhodes and Professor Low Teck Seng. Mr. Stephen Louis Rhodes 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 qualified and elected or he will be re-elected. Professor Low Teck Seng was first elected on 11 August 2022 and his re-election will be subject to shareholders' approval at the forthcoming AGM in April 2023.

The Board currently comprises eight members, a majority of which, namely, Ms. Elka Nir, Mr. Sin Boon Ann, Ms. Nehama Ronen, Professor Low Teck Seng, Ms. Sarit Zeevi 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.

Corporate Governance Report

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

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

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

In April 2022, Professor Stephen Philip Haslett retired from his position as director of the Company, thus vacating his position as Chair of the NC, and member of the AC and RC.

At the Company's forth coming AGM to be held on 19 April 2023, three directors namely, Mr. Sin Boon Ann, Mr. Zeev Bronfeld and Mr. Todd Dollinger are due for re-election pursuant to Articles 40(c) and (d) of the Company's Articles of Association and Ms. Nehama Ronen, and Professor Low Teck Seng are due for re-election following their appointment to the Board on 7 June 2022 and 11 August 2022, respectively election.

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

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

Provision 4.5 of the 2018 Code: Key information regarding Directors.
The key information of the Directors, including their academic and professional qualifications, appointment dates and directorships held in other listed companies for the past three years and principal commitments, are set out on page 46 of this Report.

Information on the Directors' shareholding in the Company and its related corporations is set out on page 102 of this Report.

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

- In the case of a Director who has multiple board representations or a significant number of principal commitments, the NC shall consider whether he or she is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the number of his or her listed company board representations and other principal commitments;

- Whether such Director had attributed sufficient time and attention to the Company; and

- Annual confirmations by each Director on his or her ability to devote sufficient time and attention to the Company's affairs, having regard to his or her other commitments.

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

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Each Director serves less than 6 listed company board representations, excluding Mr. Sin Boon Ann, who serves on 7 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 FY2022.

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

While reviewing the Succession Plan, the Board 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 short term as well as long-term solutions for the Company's continued functioning in the event of the termination of one or both of the Chair and the CEO, as well as KMP under unforeseen circumstances.

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

Board Performance

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

Provisions 5.1 and 5.2 and Practice Guidance 5 of the 2018 Code: Board to implement process to address how the Board's performance may be evaluated and disclose the process in annual report.
The NC is responsible for evaluating the effectiveness of the Board and Board Committees as a whole, by assessing the contribution of the 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 individual assessment on 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 an engagement.

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

Corporate Governance Report

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

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

For FY2022, the review process was conducted by the Company's Singaporean Secretary by preparing a performance evaluation questionnaire to be completed by each Director and each Board Committee member. The detailed process is as follows: -

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

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

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

The NC, having reviewed the overall performance of the Board and Board Committees in terms of their role and responsibilities and the conduct of their affairs as a whole, is of the view that the performance of the Board and Board Committees have been satisfactory and that the Board and Board Committees have met their performance objectives in FY2022.

2. REMUNERATION MATTERS

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

Provision 6.2 of the 2018 Code: RC comprises at least three directors and the majority of whom are independent.
Under the Israeli Companies Law, a public company must have a RC comprised of at least three directors, including all of the External Directors who must be the majority members and one thereof must serve as the Chair of the committee. All the remaining members must receive remuneration for their service as Directors of the Company, in accordance with the regulations under the Israeli Companies Law governing the remuneration of the external directors. The RC must not include the Chair (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 on page 51 of this Report.

Corporate Governance Report

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

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

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

- Reviewing and making recommendations to the Board with respect to the approval of the compensation policy with respect to the terms of office and employment of office holders and any extensions thereof;
- Periodically reviewing the implementation of the compensation policy and providing the Board with recommendations with respect to any amendments or updates thereto;
- Reviewing and resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders;
- Determining whether or not to exempt a transaction with a candidate for CEO from Shareholders' approval because such approval would preclude the engagement with such candidate, provided that such transaction is consistent with the compensation policy;
- Overriding a determination of the Shareholders in relation to certain compensation related issues, subject to the approval of the Board and under special circumstances, such as, the approval of the Company's compensation policy, after such compensation policy was reconsidered by the RC and on the basis of detailed reasons, the RC and thereafter the Board determined that the adoption of the compensation policy is in the best interests of the Company despite the objection of the Shareholders;
- The establishment of key human resources and compensation policies, including all incentive and equity-based compensation plans;
- Evaluating the Company's executive and senior management; and
- Recommending to the Board a framework of remuneration for the Directors and other office holders, including KMPs, and determining specific remuneration packages for each Director and office holder, including, without limitation, directors fees, salaries, allowances, bonuses, benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of office, service or appointment), incentive payments, options and share- based incentives and awards.

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

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

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

Corporate Governance Report

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

- Global Strategy Guidelines: The Company's business success largely relies on the excellence of its human resources at all levels. In particular, the Company believes that the Company's ability to achieve its goals requires it to recruit, motivate and retain a high quality and experienced leadership team (including Directors). Therefore, the Company believes in creating a comprehensive, customized compensation policy for the Office Holders which shall enable the Company to attract and retain highly qualified senior leaders.

- Compensation Instruments: Fixed components, which shall include annual base salary and benefits; Variable components, which may include: cash incentives and equity based compensation; Separation package; Directors & Officers (D&O) Insurance, exculpation and indemnification; and other components, which may include amongst others: change in control payment, special bonus, signing or retention bonus, exit bonus, relocation benefits, study opportunities, leave of absence, etc.

- Fixed Compensation: The Compensation Policy provides guidelines and criteria for determining the fixed compensation of the Office Holders, which includes an annual maximum base salary and benefits for Executives.

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

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

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

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

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

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

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

For further information regarding the 2022 MBO Plan, please refer to the Company's circular to the Shareholders dated 8 March 2022.

Corporate Governance Report

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

The RC members are familiar with executive compensation matters derived from their past business experiences. The RC may from time to time seek advice from external remuneration consultants, at its discretion. During 2022, no remuneration consultants were engaged.

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.

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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 on 21 December 2021 approved the 2022 MBO Plan for its KMP, and at the SGM held on 13 April 2022, obtained Shareholders' approval (by the special majority) for the adoption of such 2022 MBO Plan for the Company's CEOs. For further information regarding the 2022 MBO Plan, please refer to the Company's circular to the Shareholders dated 8 March 2022.

Under the 2022 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 4 KMPs (excluding Nir Goldenberg, Labs Chief Executive Officer, who retired on August 2022) met the bonus payment threshold for the 2022 MBO. The RC and Board have approved in their meetings held on 21 February 2023, the bonus payment of the 2022 MBO that was paid on 1 March 2023 together with the February salary (total amount of US$192,920). The Company CEOs met the bonus payment threshold for the 2022 MBO and the RC and Board have approved in their meetings held on 21 February 2023 the bonus payment of the 2022 MBO, which will be paid after the shareholders' approval at the Company's AGM to be held in April 2023. 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 February 2023 the payment of exit bonuses to the Company's Management personnel under the 2022 Bonus Plan.

Exit Bonus[(1)]		
Name (Executive Management Team)	**Percentage**	**Amount (USD)**
Todd Dollinger	18%	15,225
Steve Rhodes	18%	15,225
Haim Brosh	16%	13,702
Barak Singer	16%	13,702
Nitza Kardish	16%	13,702
Eric Loh	16%	13,702
Total	100%	85,257

(1) Based on total proceeds to Trendlines from the second tranche payment of ApiFix exit-USD$1,781,877.

On 17 November 2022, the Company's RC and Board approved the Management's By Objectives plan for the officers of the Company for FY2023 (the "**2023 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 2023 forthcoming SGM on 19 April 2023 (immediately after the conclusion of the Company's AGM). For further information regarding the 2023 MBO Plan, please refer to the Company's SGM circular to the Shareholders dated 14 March 2023.

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

For this purpose, following the approval of the Shareholders at a SGM of the Company, Shareholders approved certain amendment to the 2015 Plan. Information on the 2015 Plan and the information required under Catalist Rule 851 is set out in the Directors' Report on pages 106 to 109 and the Financial Statements on pages 164 to 166 of this Report.

During FY2022, the Company has issued options in accordance with the 2015 Plan as follows:

An aggregate of 12,000,000 options at the exercise price of S$0.1072 to grantees on 16 April 2022. – for further details please see page 165 on the Financial Statements.

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

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

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

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

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

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

Disclosure on Remuneration

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

Provisions 8.1 and 8.2 of the 2018 Code: Remuneration of Directors and top 5 key management personnel. The breakdown for the remuneration paid to each individual Director and the CEOs of the Company for FY2022 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)(***)		68.05	14.39	3.55	14.01	945,402
Steve Rhodes (Chair and Chief Executive Officer)(***)		67.85	14.65	3.23	14.27	928,470
Non-Executive Directors(****)						
Zeev Bronfeld(*****)	100					51,344
Elka Nir	100					43,096
Stephen Philip Haslett	100					11,795
Hang Chang Chieh	100					24,161
Sin Boon Ann	100					34,651
Nehama Ronen	100					30,476
Low Teck Seng	100					17,842

(*) 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**").

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There were no termination, retirement or post-employment benefits granted to the Directors and CEOs in FY2022.

The breakdown for the remuneration paid to each of the top 5 KMP (who are not Directors or CEOs) for FY2022 is as follows:

Name	Salary (%)	Bonus (%)	Other Benefits (%)(*)	Fair Value of Share Option (%)(**)	Total (S$)
Haim Brosh	54.26	28.79	6.00	10.96	771,466
Barak Zinger	63.44	14.29	5.68	16.58	493,209
Eric Loh	60.95	21.78	–	17.27	499,021
Nitza Kardish	69.04	10.86	5.52	14.58	557,667
Nir Goldenberg(***)	78.12	12.84	9.04	–	255,305
Aggregate remuneration					2,576,668

(*) 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).

(***) Retired in August 2022

The annual aggregate remuneration paid to the top 5 KMP (who are not Directors or the CEOs) for FY2022 was SS2,576,668.

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 FY2022. "Immediate family member" means spouse, child, adopted child, stepchild, brother, sister, and parent.

Provision 8.3: Details of Employee Share Option Scheme.
Please refer to the disclosures above on Provisions 8.1-8.2 of the Corporate Governance Report, the Directors' Report on pages 106 to 109 and the Financial Statements on pages 164 to 166 of this Annual Report for information regarding the 2015 Plan.

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provision 9.1 of the 2018 Code: The Board determines the nature and extent of the significant risks which the Company is willing to take.
The Board is responsible for the overall risk governance, risk management and internal control framework of the Company and is fully aware of the need to put in place a system of internal controls within the Company to safeguard shareholders' interests and the Company's assets, and to manage risks and accordingly is of the opinion that it is not beneficial to form a special Risk Committee for such matters. The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and levels of risk tolerance. The Company's internal control structure consists of policies and procedures established to provide reasonable assurance to safeguard the assets of the Company against material misstatement, risks or loss. The Company's internal controls extend beyond the accounting and finance function – its scope addresses the financial, operational, compliance and information technology risks.

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

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

The Company's 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 FY2022 and as of 31 December 2022. 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 FY2022; and of (b) adequacy and effectiveness of the Company's risk management and internal control systems;

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

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

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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 FY2022 is set out on pages 24 to 41 of this Annual Report.

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

Audit Committee

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

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

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

The AC met with the external auditors twice, and with EY Israel four times, during FY2022, without the presence of the Management. These meetings enable the external auditors to raise issues encountered in the course of their work directly to the AC.

Fees Paid/Payable to EY for FY2022	(S$'000)	% of total
Audit fees - EY Israel	258	68
Audit fees - EY Singapore	86	22
Non-audit fees - EY Israel (Tax advice, Sustainability advisory services, Executive Compensation advisory services, Office of Chief Scientist advisory services and enterprise risk management related advisory services.)	38	10
Total	382	100

The non-audit services rendered by EY during FY2022 were not substantial (less than 50% of the aggregate fees paid/payable to EY. EY Israel had been the Company's auditor since the Company's incorporation. In compliance with the amendments made to the Catalist Rules 712(2)(a) and 712(2)(b) on 12 February 2021, the Company had, appointed EY Singapore as its auditor for FY2022 at the Company's AGM held in April 2022.

For FY2022, EY Singapore has been appointed to audit the financial statements of the Company, its significant subsidiaries and associated companies. The Company confirms its compliance with the Catalist Rules 712 and 715.

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

Corporate Governance Report

Accordingly, the AC has recommended to the Board the re-appointment of EY Singapore as external auditors of the Company for the ensuing year, subject to shareholders' approval at the forthcoming AGM to be held in April 2023.

Provision 10.1(f) of the 2018 Code: AC to review the existence of the whistle-blowing policy.
The Company has adopted a whistle blowing policy and designated an independent function to investigate whistleblowing reports made in good faith (the "**Whistle Blowing Policy**") which encourages employees and/or stakeholders, who have serious concerns about any misconduct or wrongdoing relating to the Company and its officers to voice such concerns in confidence. The Whistle Blowing Policy sets out the Company's commitment to thoroughly investigate concerns that are reported in good faith and to protect employees, contractors or other stakeholders who report wrongdoing from being discriminated against or disadvantaged. All reported submissions will be treated with the strictest confidentiality. The AC is responsible for oversight and monitoring of whistleblowing. According to the Whistle Blowing Policy, the Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality. The Company will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Company a serious and genuine concern that they may have concerned an apparent wrongdoing. Pursuant to the Whistle Blowing Policy, The Audit Committee is responsible for oversight and monitoring of whistleblowing.

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

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

The AC is comprised of four members, all of whom, including the Chair, are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. The names of the members of the AC are set out in page 49 of this Report. The AC includes the Company's External Directors, namely Ms. Elka Nir and Ms. Sarit Zeevi, whereupon the AC was constituted in compliance with the Israeli Companies Law. The Chairperson of the AC is Ms. Elka Nir.

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

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

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

- Reviewing and recommending to the Board the approval of the Company's half-yearly and annual financial statements and related management's discussion and analysis;

- Recommending to the Board and overseeing the external auditors of the Company, including reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

- Making recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

- Reviewing the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgments made by the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

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

Corporate Governance Report

- Review and approve or disapprove certain related-party transactions;

- Determine the procedure for approval of transactions with the controlling shareholder;

- Where the Board approves the working plan of the internal auditor, examine such working plan before its submission to the Board and proposing amendments thereto;

- Examine the internal audit controls and internal auditor's performance, including whether the internal auditor has sufficient resources and tools to fulfil his responsibilities; and

- Examine the scope of the external auditor's work and compensation and submit a recommendation with respect thereto to the Board or general meeting, depending on which of them is considering the remuneration of the external auditor.

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

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

The AC reviewed the audited consolidated financial statements for FY2022 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 FY2022
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 2022 had a carrying amount of US$89.8 million. The Company determined it was necessary to rely on the opinion of specialists to value the substantial majority of these investments, due to the complexity of the valuations. At each reporting period, the AC discusses with management and with the Company's auditor about the Company's valuation policy, methodologies and the procedures performed on the valuation of portfolio companies.

In addition, at least annually, the AC considers the going concern principle on which the annual consolidated financial statements are prepared. As the Group is supporting existing investments with further capital, the business model is currently inherently cash consuming. Based on the balance of cash and cash equivalents as of 31 December 2022 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.

Corporate Governance Report

Following the review and discussions, the AC then recommended to the Board to approve the audited annual consolidated financial statements for FY2022.

Provision 10.4 of the 2018 Code: Primary reporting line of the internal audit function is to the AC.
The Company's internal audit function was outsourced to Mr. Doron Cohen from Fahn Kanne Control Management Ltd (member of Grant Thornton Israel) (the "Internal Auditor" or "IA"), that reports directly to the AC Chair and administratively to management. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

Practice Guidance 10 of the 2018 Code: AC to ensure internal audit function is adequately resourced and adequacy and effectiveness of the internal audit function.
The AC is of the view that the IA has adequate resources to perform the functions and maintained its independence from the activities audited. The IA subscribes to, and is guided by, the standard established by internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing ("**IPPF**") set by The Institute of Internal Auditors ("**IIA**") and has incorporated these standards into its audit practices. The focus of the Internal Audit function is to strengthen the internal control structure and risk management through the conduct of independent and objective reviews. The AC is satisfied that the IA is adequately qualified given, inter alia, his education (BA business administration, major in accounting and Certified Internal Auditor) and over 18 years of experience as an internal auditor. The IA has confirmed that the team members working under him are corporate members of the Institute of Internal Auditors (IIA) and are practicing the recommended standards by the IIA. The IA has the appropriate standing in the Company to discharge its duties effectively given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC. The AC met with the IA more than one time during FY2022, for audit reports with respect to "Securing Means of Payments" and "Expenses at Trendlines Medical Singapore Pte. Ltd.".

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

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

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

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

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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 FY2022 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 2023, 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.

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

Provision 11.3 of the 2018 Code: All directors attend general meetings of shareholders.
Both Chairs of the Company shall be present at general meetings, unless such presence is not reasonably possible or necessary 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. When required the external auditors may be present to address shareholders' queries about the conduct of the audit and the preparation and content of the independent auditor's report. In the event that the external auditor is unable to be physically present at the AGMs (when required), the external auditors will participate via teleconference or other communication means to assist in answering any questions of shareholders with respect to the Company's audited annual financial statements at such meetings.

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

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 the Company' general meetings held during FY2022 are as set on page 58 above.

Provision 11.4 of the 2018 Code: Shareholders should be allowed vote in absentia.
Shareholders are given the opportunity to vote at general meetings. The Company has decided, to implement live voting. The general meetings of the Company during FY2022 were convened and held by way of a virtual-only meeting format via a live audio-visual webcast and live audio-only stream 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 be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chair of the general meetings in advance of the general meetings and addressing of substantial and relevant questions prior to the general meetings, submitting text-based questions via the Live Webcast at the general meetings; and live voting or appointing proxy(ies) to attend and vote on their behalf at the general meetings.

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Provision 11.5 of the 2018 Code: Minutes to be available to shareholders.
All minutes of general meetings including the material comments and/or questions raised by Shareholders in relation to the meeting agenda and the responses from the representatives of the Company's Board and/or management (if applicable), are prepared by the Company Secretaries upon the conclusion of the said general meetings. The Company publish such minutes on its corporate website, as communicated to Shareholders in the notices of the general meetings. Since the general meetings of the Company during FY2022 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 FY2022 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 has adopted and announced a new dividend policy during FY2021 to take effect from 1 July 2021.

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

The Board has not declared or recommended any dividends for FY2022 as the Company did not meet the required above dividend policy, in addition of not meeting the relevant conditions prescribed by the Israeli Companies Law for the declaration of dividends.

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

Engagement with Shareholders

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

Provision 12.1 of the 2018 Code: Company communicates regularly with its shareholders.

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

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

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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 for ensuring that all information presented or made available contains only (i) information that has already been disclosed on the SGXNET; and (ii) non-price sensitive information.

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

- The Company held two investor briefings (recorded and accessible on our website to all) and two investor roadshows in FY2022 to meet with its institutional and retail investors. In FY2022 the management also briefed shareholders on the Company's performance during the general meetings held.

- Additionally, the Company maintains an updated investor portal on its corporate website, which contains all announcements, presentations and financial information that has been published on the SGXNet.

- The Company sends investor alerts to subscribers. Anyone interested can subscribe to the list through our website.

- Our Head of Investor Relations can be contacted via e-mail on our website and responds in a timely manner to all investor communications, questions, and clarifications.

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 2022 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 media and channels to ensure that our business interests are aligned with those of our stakeholders. Our stakeholders have been identified as those who are impacted by our business and operations and similarly, those who are able to impact our business and operations. We have identified the following stakeholders' groups through an assessment of their significance to our operations. They are namely, employees, Shareholders, partners, and government regulators.

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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 FY2022, or, if not then subsisting, were entered into since the end of the previous financial year.

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
Nil	Not applicable	The Company does not have a general mandate for IPTs.	None exceeding the value of a $100,000 for FY 2022

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 FY2022.

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

(b) While during FY2022 the total amount invested by Agriline Limited[1] in 12 portfolio companies was S$6 million, the value of the transactions (which is the amount at risk to the Group) is S$0 as the investments did not have a negative result in a change in the fair value of the Group's holdings in the portfolio companies or the consolidated net tangible assets of the Group.

(1) Agriline Limited is ultimately held by Geneva Trust Company (GTC) SA as Trustees of The VT Two Trust. Librae Holdings Limited, ultimately held by Geneva Trust Company (GTC) SA as Trustees of The Tchenguiz Three Trust, currently holds around 27% 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.

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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 FY2022.

Rule 1204(22): Use of IPO Proceeds.
The Company refers to the net proceeds amounting to S$10 million received from the 4 installments of the Proposed Subscription which resulted in the issuance and allotment of 84,459,456 shares during FY2022 ("**Net Proceeds**").

The following table sets out the breakdown of the use of proceeds from the 2022 PIPE Placement as at the date of December 31, 2022:

Purpose	Amount allocated (S$'000)	Amount utilized as at the date of the Annual Report (S$'000)	Balance (S$'000)
Direct and indirect investments into new, prospective or existing Portfolio Companies	7,035	1,491	5,544
General working* capital	3,015	–	3,015
Total	10,050	1,491	8,559

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

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

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

Corporate Governance Report

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

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
Date of Appointment	7 June 2022	11 August 2022	1 May 2007	1 May 2007	17 June 2020
Date of last re-appointment (if applicable)	NA	NA	2020	2020	NA
Age	61	67	69	71	64
Country of principal residence	Israel	Singapore	Israel	Israel	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board considered the Nominating Committee's the recommendation and assessment on Ms Nehama Ronen's professional qualifications, expertise, past working experience and commitment in the discharge of her duties as an Independent Director, and is satisfied that she will continue to contribute meaningfully to the Board.	The Board considered the Nominating Committee's the recommendation and assessment on Mr. Low Teck Seng's professional qualifications, expertise, past working experience and commitment in the discharge of his duties as an Independent Director, and is satisfied that he will continue to contribute meaningfully to the Board.	The Board considered the Nominating Committee's the recommendation and assessment on Mr David Todd Dollinger's contribution to the Company and the Group as Chair and Chief Executive Officer of the Company, and is satisfied that he will continue to contribute meaningfully to the Board.	The Board considered the Nominating Committee's the recommendation and assessment on Mr David Zeev Bronfeld's professional qualifications, expertise, past working experience and commitment in the discharge of his duties as a Non-Executive Director, and is satisfied that he will continue to contribute meaningfully to the Board.	The Board considered the Nominating Committee's the recommendation and assessment on Mr. Sin Boon Ann's professional qualifications, expertise, past working experience and commitment in the discharge of his duties as an Independent Director, and is satisfied that he will continue to contribute meaningfully to the Board..
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Non-Executive Director	Chair and Chief Executive Officer, responsible for the overall management of our Group's strategy, investments, and business operations.	Non-Executive Director	Non-Executive Director
Job Title (e.g. Lead ID, AC Chair, AC Member etc.)	Independent & Non-Executive Director, member of the Audit Committee and Nominating Committee	Independent & Non-Executive Director, member of the Remuneration Committee	Chair and Chief Executive Officer	Non-Independent and Non-Executive Director	Independent & Non-Executive Director, member of the Audit Committee and Nominating Committee

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
Professional qualifications	(1) Senior Executive Program, London Business School (2) Master's Degree in Public Administration, Haifa University (3) Bachelor's Degree in Education and History, Beit Berl College	(1) PhD University of Southampton (2) IEEE (Fellow) (3) Royal Academy of Engineering, UK (Fellow) (4) Singapore Academy of Engineering	Nil	Bachelor of Social Sciences (Economics) The Hebrew University of Jerusalem	(1) BA National University of Singapore (1982) (2) LL.B. (Hons) National University of Singapore (1986) (3) LL.M. University of London (1988) (4) Practising Certificate (1987)
Working experience and occupation(s) during the past 10 years	**2004 to Present:** - Maman Cargo Terminals & Handling Ltd.- Chairperson	**2012 to Present:** (1) Tenured Professor, National University of Singapore **2012 to 2022:** (2) Chief Executive Officer, National Research Foundation (NRF)	**29 August 2007 to Present:** Chair and Chief Executive Officer of The Trendlines Group Ltd. / Overall management of The Trendlines Group Ltd. strategy, investments, and business operations. **6 December 2016 to Present:** Chair /Manages and provides leadership to the Board of Directors and CEO of the Trendlines Medical Singapore Pte. Ltd. Act as liaison between the board of directors and the management of the company, through the CEO.	**9 July 1998 to Present:** CEO of M.B.R.T Development and Investment Ltd. Overall management of the company's business operations and primarily responsible for the company's business development and corporate strategy. **13 August 2019 to Present:** Chair of the Board of Protalix BioTherapeutics	**2001 – March 2018:** Director, Drew & Napier LLC **March 2018- to Present:** Consultant, Drew & Napier LLC

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
				10 July 1997 to Present: CEO of E.B.C Investments Ltd. Overall management of the company's business operations and primarily responsible for the company's business development and corporate strategy **31 July 2002 to Present:** CEO HealthCare Holdings Ltd. Overall management of the company's business operations and primarily responsible for the company's business development and corporate strategy **1986 to 11 October 2015:** Co-founder and chief executive officer of Bio-Cell Ltd. Overall management of the company's business operations and primarily responsible for the company's business development and corporate strategy	

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
				9 April 2013 to 25 October 2021: D.N.A. Biomedical Solutions Ltd- Chair **15 February 2010 to 2021:** Trans-Bio Diesel Ltd- Chair	
Shareholding interest in the listed issuer and its subsidiaries.	No	No	Yes Yes, direct interest in 19,619,562 shares representing 2.19% of the Company's issued shares.	Yes Yes, direct interest in 72,323,416 shares representing 8.13% of the Company's issued shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No	No
Conflict of interest (including any competing business)	No	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
Other Principal Commitments* Including Directorships# * *"Principal Commitments" has the same meaning as defined in the Code.* # *These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)*					
Past (for the last 5 years)	**Past (for the last 5 years)** • ELA Recycling Corporation- Chairperson • ADO Ltd. - Board Member • Amal Holdings - Board Member • SHL Telemedicine - Independent Board Member	**Past (for the last 5 years)** • Excelpoint Ltd • Singapore Innovate Pte. Ltd • ISEC Healthcare Singapore • MIT Alliance for Research and Technology Centre • Cambridge Centre For Advanced Research and Education in Singapore Ltd • Berkeley Education Alliance for Research in -Singapore Limited • Tum Create Limited • NRF Holdings Pte. Ltd	**Past (for the last 5 years)** • Tandem Technologies Ltd. • Intellibreath Ltd. • Medivalve Ltd. • OBsmart Ltd. • S.T.S. Medical Ltd. • Mitrassist Ltd. • IonMed Ltd. • ETView Ltd. • SIL Vascular Ltd. • Trendlines Incubators Israel Ltd. • Zygofix Ltd. • SenterCare Ltd. • Saturas Ltd. • OrthoSpin Ltd • LapSpace Medical Ltd	**Past (for the last 5 years)** • Phase 3 Technologies Ltd • DNA Biomedical Solutions Ltd • Electreon Wireless Ltd (old name Biomedix Incubator Ltd) • The Interdisciplinary Center Elevator (2011) Ltd • Personalized Natural Medicine Ltd • Trans-Bio diesel Ltd • Entera Bio Ltd • Contipi Medical Ltd	**Past (for the last 5 years)** • HRnetGroup Limited* • SE Hub Ltd. • Datapulse Technology Limited* • At-Sunrice GlobalChef Academy Pte. Ltd. • DrewCorp Services Pte Ltd • Drew & Napier LLC

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
Present	**Present** • Maman Cargo Terminal & Handling Ltd. - Chairperson, Member of Audit Committee, Finance Committee and Remuneration Committee • Maman Aviation - Board Member • Tamar Petroleum Ltd. - Independent Member of Audit Committee • Dan Public Transportation Co. Ltd. - Independent Director, Member of Audit Committee, Finance Committee and Remuneration Committee • Trucknet Enterprise Ltd. - Independent Director, Member of Audit Committee	**Present** • Chip Eng Seng Ltd • Ucrest Bhd • Key Asic Bhd • Defence Science Organisation • Public Utilities Board • Xora Innovation • NRF Holdings • Graduate Investment Pte Ltd • Ravantha Technologies • IEEE Asia-Pacific	**Present** • Gordian Surgical Ltd • AO foundation • Arcuro Ltd. • Avir Medical Pte Ltd • Ayzer Sense Technology Pte Ltd • Continale Medical Pte Ltd • Dermcut Medical Pte Ltd • EndoBetix Ltd. • ElastiMed Ltd. • EndoSiQ Technology Pte Ltd • Escala Ltd. • Fidmi Ltd. • InterVaal Pte Ltd • Juvenis Ltd. • Nasotrak Medical Pte Ltd • Limaca Ltd. • Medulla Pro Technology Pte Ltd • Occutrack Medical Solutions Pte Ltd • NICE Surgical Solutions Pte Ltd • Obsmart Ltd. • NeuroQuest Ltd. • Seger Ltd. • STEP Surgical Solutions Pte Ltd • Stimatix Ltd. • STFix Ltd.	**Present** • EcoCycle Israel Ltd • Contipi Ltd • L.N Innovative technologies Ltd • Protalix Ltd • Protalix BioTherapeutics, Inc., • MOFET B'Yehuda - Industrial Research & Development in Judea Ltd • Incubator for Management of Technological Entrepreneurship Misgav Ltd • TRENDLINES INCUBATORS ISRAEL LTD • M.B.R.T Development and Investments Ltd • HealthCare Holdings Ltd • Stimatix G.I Ltd • Lapspace Medical Ltd • STS Medical Ltd • E.B.C Investments Ltd • Trendlines Medical Singapore Ltd • Senter Care Ltd • Ka-Dynamic Color Ltd	**Present** • Sarine Technologies Ltd.* • The Trendlines Group Ltd.* • Balkan Holdings Pte. Ltd. • Healthway Medical Corporation Limited* • The Farrer Park Company Pte. Ltd • W Capital Markets Pte. Ltd. • TIH Limited* • At-Sunrice (Holdings) Pte. Ltd. • Esseplore Pte. Ltd. • Singapore Centre for Social Enterprise Ltd. (raiSE) • Rex International Holding Limited* • OUE Limited* • Tampines Central Community Foundation Limited • CSE Global Limited*

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
			• Szone Medical Pte Ltd • Tendonplus Medical Pte Ltd • Vensica Ltd. • VisageX Medical Ltd. • VisiDome Ltd. • ProArc Medical Ltd. • OMEQ Medical Ltd • Trendlines Investments Israel Ltd. • Trendlines Venture Management Ltd. • T.D.L. International Directions LTD • Trendlines Agtech - Mofet Ltd. • Technology Incubator Misgav/Karmiel, Management Services Ltd. • Trendlines Medical Singapore Ltd. • Trendlines Agrifood Innovation Center PTD. LTD. • Trendlines Agrifood PTE.LTD. • The Trendlines Group Ltd.		

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
<u>Information Required</u> **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. <u>If the answer to any question is "yes", full details must be given</u>.**					
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—					
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	Yes Mr Sin Boon Ann has been the Independent Chair of Healthway Medical Corporation ("HMC") since 26 April 2019. HMC had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in HMC's annual report for the financial year ended

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
					31 December 2019 ("**AR 2019**") pertaining to the re-election of Mr Sin and the appointment of Ms Poh Mui Hoon, which were corrected in HMC's subsequent corrigendum after the inadvertent errors first discovered. The AR 2019 had been announced by HMC on SGXNET on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced by HMC on SGXNET on 22 June 2020.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No

Corporate Governance Report

Details required under Appendix 7F of the Catalist Rules	Ms. Nehama Ronen	Professor Low Teck Seng	Mr. David Todd Dollinger	Mr. Zeev Bronfeld	Mr. Sin Boon Ann
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

Corporate Governance Report

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

Directors' Report

We are pleased to submit this annual report to the shareholders of the Company together with the audited statements for the financial year ended 31 December 2022.

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)
Ms. Nehama Ronen	Independent Director
Ms. Sarit Zeevi	External Director (Independent Director)
Mr. Sin Boon Ann	Independent Director
Professor Low Teck Seng	Independent Director

Directors' Interests

According to the share registers kept by the Company for the purposes of Sections 127 and 128 of the Israeli Companies Law, 5759-1999 (the "**Law**"), and according to the information provided to the Company by our directors, particulars of interests of directors who held office at the end of FY2022 (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 2023.

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 2023	At the beginning of the Year	At end of the Year	At 21 January 2023
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	5,838,384 – Meitav Dash Benefits for the Benefit of David Dollinger	5,838,384 – Meitav Dash Benefits for the Benefit of David Dollinger
				325,138[1] (TIF Shares)	325,138[2] (TIF Shares)	325,138[2] (TIF Shares)
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	5,838,384 – Meitav Dash Benefits for the Benefit of Stephen Louis Rhodes	5,838,384 – Meitav Dash Benefits for the Benefit of Stephen Louis Rhodes
				325,138[1] (TIF Shares)	325,138[1] (TIF Shares)	325,138[1] (TIF Shares)
Zeev Bronfeld	72,732,416	72,732,416	72,732,416	–	–	–
Elka Nir	–	–	–	–	–	–
Nehama Ronen	–	–	–	–	–	–
Sarit Zeevi	–	–	–	–	–	–
Sin Boon Ann	–	–	–	–	–	–
Low Teck Seng	–	–	–	–	–	–

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 2023	At the beginning of the Year	At end of the Year	At 21 January 2023
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	–	–	–	7,952	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 in 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 he has 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 Plan is 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 2022	Aggregate options exercised since commencement of the Old Option Plan to 31 December 2022	Aggregate options outstanding at 31 December 2022
David Todd Dollinger	–	13,272,928	–	13,272,928
Stephen Louis Rhodes	–	13,272,928	–	13,272,928
Zeev Bronfeld	–	–	–	–
Elka Nir	–	–	–	–
Nehama Ronen	–	–	–	–
Sarit Zeevi	–	–	–	–
Sin Boon Ann	–	–	–	–
Low Teck Seng	–	–	–	–

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, 32,494,256 Old Options exercisable into 32,494,256 Shares at exercise prices of between US$0.13625 and US$0.201125 remain outstanding. All outstanding Old Options granted under the Old Option Plan are all vested.

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

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

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

Directors' Report

Share Options (Cont'd)

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 32,494,256 Old Options granted and outstanding under the Old Option Plan. The following table sets out information regarding the outstanding Old Options:

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

Directors' Report

Share Options (Cont'd)

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

Notes:

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

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

The Trendlines 2015 Share Options Plan

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

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

Name of Participant	Aggregate options granted during financial year under review	Aggregate options granted since commencement of the Plan to 31 December 2022	Aggregate options exercised since commencement of the Plan to 31 December 2022	Aggregate options outstanding at 31 December 2022
David Todd Dollinger	8,455,957	8,455,957	–	8,455,957
Stephen Louis Rhodes	8,455,957	8,455,957	–	8,455,957
Zeev Bronfeld	750,000	750,000	–	750,000
Elka Nir	750,000	750,000	–	750,000
Sin Boon Ann	750,000	750,000	–	750,000
Hang Chang Chieh	750,000	750,000	–	750,000

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

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

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

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

As at the end of the Year, a total of 61,416,276 options exercisable into 61,416,276 Shares at exercise prices of between S$0.0978 and S$0.32 were granted to 82 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, 48,904,493 options exercisable into 48,904,493 Shares at exercise prices of between S$0.0978 and S$0.32 remain outstanding (after taking into account 7,868,879 options previously granted to former employees that had lapsed and expired during the Year). 24,437,743 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):

Directors' Report

Option Pool

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

Maximum Entitlements

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

Options, Exercise Period and Exercise Price

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

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

Duration of the Plan

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

Grant of Discounted Options

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

Directors' Report

Grant of Discounted Options (Cont'd)

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

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

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

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

As at the end of the Year, there are 48,904,493 options outstanding under the Plan. The following table sets out information regarding the outstanding options under the Plan:

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

Directors' Report

Grant of Discounted Options (Cont'd)

Name of holder of options	Date of grant	Purchase price	Number of Shares comprised in the options	Aggregate number of Shares allotted and issued pursuant to the exercise and/or expiry of the options	Number of Shares comprised in the Unexercised options	Exercise price per option	Exercise period	Expiration date
Barak Singer	6 April 2017	–	425,437	–	425,437	S$0.156	10 years as of the date of grant	6 April 2027
	25 February 2019	–	1,775,643	–	1,775,643	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	500,000	–	500,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	2,475,000	–	2,475,000	S$0.1064	10 years as of the date of grant	21 December 2031
Kobby Greenberg	24 February 2020	–	165,000	–	165,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	250,000	–	250,000	S$0.1064	10 years as of the date of grant	21 December 2031
Eric Loh	6 April 2017	–	646,702	–	646,702	S$0.156	10 years as of the date of grant	6 April 2027
	25 February 2019	–	200,000	–	200,000	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	500,000	–	500,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	2,475,000	–	2,475,000	S$0.1064	10 years as of the date of grant	21 December 2031
Other employees	11 August 2016	–	3,146,915	3,146,915	–	S$0.19	Not applicable	Not applicable
	15 September 2016	–	1,302,822	1,302,822	–	S$0.187	Not applicable	Not applicable
	6 April 2017	–	531,799	531,799	–	S$0.156	Not applicable	Not applicable
	12 August 2018	–	1,066,492	380,000	686,492	S$0.105	10 years as of the date of grant	12 August 2028
	25 February 2019	–	1,085,526	960,000	125,526	S$0.0978	10 years as of the date of grant	25 February 2029
	24 February 2020	–	4,383,000	2,487,000	1,896,000	S$0.1134	10 years as of the date of grant	24 February 2030
	21 December 2021	–	11,400,000	3,955,000	7,445,000	S$0.1064	10 years as of the date of grant	21 December 2031
Directors	16 April 2022	–	3,000,000	–	3,000,000	S$0.1072	10 years as of the date of grant	16 April 2032

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.

Directors' Report

Audit Committee

The Audit Committee was established on 19 October 2015 and the members of the Audit Committee (as at the date of this Report) comprise of 4 directors, namely, Elka Nir, Sin Boon Ann, Nehama Ronen and Sarit Zeevi.

During FY2022, the Audit Committee held 5 (five) 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

14 March 2023

Statements by Directors

In our opinion:

(a) the financial statements set out on pages 112 to 170 are drawn up so as to give a true and fair view of the Company and of the Group as at 31 December 2022 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

14 March 2023

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, 2022

(U.S. dollars in thousands)

THE TRENDLINES GROUP LTD.

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

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Independent Auditors' Report

Building a better
working world

To the Shareholders of The Trendlines Group Ltd.

Opinion

We have audited the consolidated financial statements of The Trendlines Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position of the Group and the Company as of December 31, 2022, 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group and the Company as of December 31, 2022, and the Group's consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditors' Report

Key Audit Matters (Cont.)

Valuation of Investments in Portfolio Companies

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

The Group's investments in Portfolio Companies represent 83% of the total amount of its assets. The valuations of the Portfolio Companies are designated as level 3 in the fair value hierarchy since they are valued using inputs other than quoted prices in an active market. The Group determined it was necessary to rely on the opinion of external valuation specialists to value the substantial majority of these investments, due to the complexity of the valuations. Due to the inherent subjectivity in the valuation of these investments, we determined this matter to be a significant item for our audit.

How our audit addressed the matter

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

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

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

Other Matter

The financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 7 March 2022.

Other information

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

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

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

Independent Auditors' Report

Building a better working world

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

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

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

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

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

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

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

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

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

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

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

Independent Auditors' Report

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

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

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

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

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

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
13 March 2023

Statements of Financial Position

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

		The Group		The Company	
		December 31,		December 31,	
	Note	2022	2021	2022	2021
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents		4,565	14,309	3,129	10,894
Short-term bank deposits	3	2,092	4,252	2,000	4,149
Accounts and other receivables	4	6,329	3,361	10,677	8,301
Short-term loans to Portfolio Companies	5	91	287	91	225
Total Current Assets		13,077	22,209	15,897	23,569
NON-CURRENT ASSETS:					
Investments in Portfolio Companies	9	89,777	83,046	–	–
Accounts and other receivables	4;9(B)(2)	1,489	5,276	1,393	4,721
Contingent consideration receivable	9(B)(2)	744	6,599	744	6,599
Right-of-use assets	10	2,058	2,752	–	–
Investment in Subsidiaries	8	–	–	82,499	78,352
Property, plant and equipment, net	6	848	1,201	465	523
Total Non-Current Assets		94,916	98,874	85,101	90,195
Total Assets		107,993	121,083	100,998	113,764

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	2022	2021	2022	2021
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Lease liabilities	14(A)	419	776	–	–
Loans	11	292	4,241	292	4,241
Trade and other payables	12	3,393	4,246	2,562	2,204
Deferred revenues	2(B)(12)	2,738	1,184	100	337
Total Current Liabilities		6,842	10,447	2,954	6,782
LONG-TERM LIABILITES:					
Deferred revenues	2(B)(12)	888	679	–	–
Loans from the Israel Innovation Authority	13	2,469	2,718	1,197	1,434
Lease liabilities	14(A)	1,674	2,274	–	–
Deferred taxes	15(D)	–	2,156	–	2,230
Other long-term liabilities		224	267	213	232
Total Long-Term Liabilities		5,255	8,094	1,410	3,896
EQUITY:					
Equity Attributable to Equity Holders of the Company:					
Share capital	17	2,373	2,123	2,373	2,123
Share premium		86,577	79,312	86,577	79,312
Reserve from transaction with non-controlling interests		352	–	–	–
Reserve from share-based payment transactions	18	4,891	4,378	4,891	4,378
Retained earnings		2,793	17,273	2,793	17,273
Total		96,986	103,086	96,634	103,086
Non-Controlling Interests		(1,090)	(544)	–	–
Total Equity		95,896	102,542	96,634	103,086
Total Liabilities and Equity		107,993	121,083	100,998	113,764

March 13, 2023			
Date of approval of the financial statements	D. Todd Dollinger Co-Chair and Chief Executive Officer	Steve Rhodes Co-Chair 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 and per share data

	Note	Year ended December 31, 2022	Year ended December 31, 2021
Income:			
Gain (loss) from change in fair value of investments in Portfolio Companies, net	2(B)(5);7(D)	(2,470)	9,151
Income from services to Portfolio Companies	2(B)(12)	2,556	1,542
Income from contracted R&D services	2(B)(12)	1,022	759
Financial income related to contingent consideration	19(D)	–	3,701
Financial income other	19(D)	873	559
Other income		393	410
Total income		2,374	16,122
Expenses:			
Operating, general and administrative expenses	19(A)	10,299	9,388
Operating, general and administrative expenses - Trendlines Medical Singapore portfolio companies (subsidiaries)	19(A)	1,316	1,737
Marketing expenses		270	328
Research and development expenses, net	19(B)	1,167	1,510
Research and development expenses, net - Trendlines Medical Singapore portfolio companies	19(B)	443	–
Financial expenses related to contingent consideration	19(C)	5,855	–
Financial expenses other	19(C)	343	514
Total expenses		19,693	13,477
Income (loss) before income taxes		(17,319)	2,645
Income tax benefit	15(E)	2,156	3,355
Net income (loss)		(15,163)	6,000
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)
Total comprehensive income (loss)		(15,163)	5,955

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

Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	Note	Year ended December 31, 2022	Year ended December 31, 2021
Net income (loss) attributable to:			
Equity holders of the Company		(14,480)	6,563
Non-Controlling Interests		(683)	(563)
		(15,163)	6,000
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		(14,480)	6,518
Non-Controlling Interests		(683)	(563)
		(15,163)	5,955
Net income (loss) per share attributable to equity holders of the Company (in U.S dollars):			
Basic and diluted net income (loss) per share	20	$ (0.02)	$ 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 transaction with non-controlling interests	Reserve from hedges	Reserve from share-based payment transactions	Retained earnings	Total	Non-Controlling Interests	Total equity
Balance as of January 1, 2021	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
Net income and total comprehensive income	–	–		–	–	(14,480)	(14,480)	(683)	(15,163)
Services received in consideration for shares issued to non-controlling interests	–	–	352	–	–	–	352	137	489
Issuance of shares	250	7,220	–	–	–	–	7,470	–	7,470
Cost of share-based payments	–	–	–	–	558	–	558	–	558
Expiration of options	–	45	–	–	(45)	–	–	–	–
Balance as of December 31, 2022	**2,373**	**86,577**	**352**	**–**	**4,891**	**2,793**	**96,986**	**(1,090)**	**95,896**

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, 2022	Year ended December 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	(15,163)	6,000
Adjustments to reconcile net income (loss) to net cash provided by operating (used in) activities:		
Adjustments to the profit or loss items:		
Depreciation	930	1,102
Tax benefit	(2,156)	(3,355)
Loss (gain) from changes in fair value of investments in Portfolio Companies, net	2,470	(9,151)
Financial expenses (income), net	(570)	301
Financial expense (income) related to contingent consideration	5,855	(3,701)
Income from services to Portfolio Companies	(1,899)	(769)
Research and development services from non-controlling interests	489	–
Share-based payments	558	252
Changes in asset and liability items:		
Decrease (increase) in short-term loans to Portfolio Companies	196	(268)
Decrease (increase) in accounts and other receivables	822	(3,243)
Increase (decrease) in deferred revenues	(237)	2,016
Increase (decrease) in trade and other payables	(855)	2,479
Decrease in other long-term liabilities	(43)	(5)
	5,560	(14,342)
Investments in Portfolio Companies	(5,305)	(4,553)
Proceeds from realization of Portfolio Company	–	13,652
	(5,305)	9,099
Interest paid	(42)	(124)
Interest received	24	16
	(18)	(108)
Net cash (used in)/ provided by operating activities	(14,926)	650

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,	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(112)	(574)
Proceeds from bank deposits and short-term bank deposits, net	–	(24)
Change in restricted deposits, net	11	–
Changes in short term bank deposits, net	2,149	–
Net cash provided by/ (used in) investing activities	2,049	(598)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares, net	7,470	–
Grants from the Israeli Chief Scientist	135	–
Loans received	–	4,233
Repayment of loan	(4,008)	–
Payment of lease liability	(642)	(824)
Loans received from the Israel Innovation Authority	178	193
Net cash provided by financing activities	3,133	3,602
(Decrease)/ increase in cash and cash equivalents	(9,744)	3,653
Cash and cash equivalents at the beginning of the year	14,309	10,656
Cash and cash equivalents at the end of the year	4,565	14,309
Non-cash transactions		
Services received in consideration for shares issued to NCI	489	–
Receivables from realization of investment in Portfolio Company	587	6,139
Additions to right-of-use assets with corresponding lease liability	92	1,401

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.

Trendlines Investments Israel Ltd. operates under franchise agreements with the State of Israel, through the Israel Innovation Authority ("IIA") of the Ministry of Economy and Industry which ends by December 31st 2023. The termination of the franchise agreements will not have a material impact on the Company's operations as we have announced few months ago, we are no longer planning to establish new portfolio companies and devote all of our efforts and resources to our existing portfolio to bring them to maturity and success.

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 13, 2023.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 1:- GENERAL (Cont.)

C. Definitions

The Company	-	The Trendlines Group Ltd.
The Group	-	The Company and its consolidated subsidiaries.
Subsidiaries	-	Companies that are controlled by the Company (as defined in IFRS 10) and whose accounts are consolidated with those of the Company.
Investees	-	Subsidiaries.
Trendlines Medical Singapore	-	Trendlines Medical Singapore Pte Ltd. a technological incubator - subsidiary of the Company.
Agtech	-	Trendlines Investments Israel Ltd. a technological incubator - subsidiary of the Company.
AFIC	-	Trendlines Agrifood Innovation Center Pte Ltd. a technological incubator and fund manager - subsidiary of the Company.
Trendlines Incubators/ Incubators	-	Two technological incubators - Agtech and Trendlines Medical Singapore in which the Company exercises control and whose statements are consolidated with those of the Company.
Peripheral Incubator	-	Technological incubator that is situated in a national priority region. Agtech is a Peripheral Incubator.
Portfolio Company	-	A company in which the Incubators invested and is not a subsidiary.
IIA	-	Israel Innovation Authority (formerly the Office of the Chief Scientist) of the Israeli Ministry of Economy and Industry.
Directive 8.2	-	Directive 8.2 of the Director General of the Ministry of Economy effective regarding the Incubators from 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 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 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. Non-monetary assets and liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

c. Group companies:

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

2. Cash equivalents

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

3. Short-term deposits

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

4. Financial instruments

a. Financial assets:

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

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

- The Group’s business model for managing financial assets; and
- The contractual cash flow terms of the financial asset.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

4. Financial instruments (Cont.)

a. Financial assets: (Cont.)

1) Debt instruments are measured at amortized cost when:

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

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

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

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

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

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

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

b. Impairment of financial assets:

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

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

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

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

4. Financial instruments (Cont.)

b. Impairment of financial assets: (Cont.)

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

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

c. Derecognition of financial assets:

A financial asset is derecognized only when:

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

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.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

4. Financial instruments (Cont.)

e. Derecognition of financial liabilities:

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

f. Offsetting financial instruments:

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

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).

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

5. Fair value measurement (Cont.)

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

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

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

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

6. Loans from the Israel Innovation Authority

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

7. Leases

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

1. <u>The Group as a lessee</u>:

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

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

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

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

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

B. Summary of significant accounting policies (Cont.)

7. Leases (Cont.)

1. The Group as a lessee: (Cont.)

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

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

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

2. Variable lease payments that depend on an index:

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

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

3. Lease extension and termination options:

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

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

4. Lease modifications:

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

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

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

8. Property, plant and equipment

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

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

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

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

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

9. Research and development expenditures

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

10. Income taxes

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

a. Current taxes:

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

b. Deferred taxes:

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

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 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 the grant date. The fair value is determined using an acceptable option pricing model.

As for other service providers, the cost of the transactions is measured at the fair value of the goods or services received as consideration for equity instruments granted.

The cost of equity-settled transactions is recognized in profit or loss together with a corresponding increase in equity during the period which the performance and/or service conditions are to be satisfied ending on the date on which the relevant employees become entitled to the award (the "vesting period"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

12. Revenue recognition

Revenue from contracts with customers is recognized when the control over the goods or services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

a. Revenue from rendering of services:

Revenue from rendering of services is recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by the Group's performance. Revenue is recognized in the reporting periods in which the services are rendered. The Group charges its customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, the Group recognizes the resulting contract asset or liability.

b. Income from carried interests in funds

The Group, through subsidiaries, is the General Partner ("GP") in three funds (see Note 8(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 (contract liability) in respect of the fair value of the benefit of these shares received from the IIA. Such deferred revenue is recognized over the two years of the incubation of the Portfolio Company. Under the Old Directive 8.3, upon obtaining an IIA loan, the benefit's value is computed as the difference between the amount of the loan from the IIA and its fair value, and under the Track Benefit No. 3, the benefit's value is computed as the difference between the fair value of the investment Portfolio Company and the supplementary funding invested by the Incubators see Note 16(A)(3)).

The Group has applied the practical expedient not to disclose information about its remaining performance obligations when the Group recognizes revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

Income recognized during the years ended December 31, 2022 and 2021 from amounts included in deferred revenue at the beginning of each period was US$799 and US$571, respectively.

In addition, in accordance with IIA regulations, the Group receives monthly capped overhead reimbursement from the Portfolio Companies.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

13. Grants received

Grants received are recognized when there is reasonable assurance that the grants will be received, and the Group will comply with the attached conditions.

Grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the research project that will result in royalty-bearing sales.

A liability for the loan is first measured at fair value using a discount rate that reflects a market rate of interest. The difference between the amount of the grant received and the fair value of the liability is accounted for as a grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Royalty payments are treated as a reduction of the liability. If no economic benefits are expected from the research activity, the grant receipts are recognized as a reduction of the related research and development expenses. In that event, the royalty obligation is treated as a contingent liability in accordance with IAS 37.

At each reporting date, the Group evaluates whether there is reasonable assurance that the liability recognized, in whole or in part, will not be repaid (since the Group will not be required to pay royalties) based on the best estimate of future sales and using the original effective interest method, and if so, the appropriate amount of the liability is derecognized against a corresponding reduction in research and development expenses or operating, general and administrative expenses.

Grants received from Enterprise Singapore (“ESG”) are recorded as a reduction of research and development expenses as the repayment of the grants is not presently probable - see Note 21.

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.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Summary of significant accounting policies (Cont.)

16. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

The Group uses derivative financial instruments, forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to OCI as the Group assesses its hedges as effective and are later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

17. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

C. Significant accounting judgments, estimates and assumptions (Cont.)

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.

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. Standards issued but not yet effective

1. 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.

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, 2024 and are to be applied retrospectively. Earlier application is permitted.

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

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. Standards issued but not yet effective (Cont.)

2. 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.

3. 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.

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

NOTE 3:- SHORT-TERM BANK DEPOSITS

	The Group		The Company	
	December 31,		December 31,	
	2022	2021	2022	2021
Restricted short-term deposits	92	103	–	–
Short-term bank deposits	2,000 *)	4,149 **)	2,000	4,149
	2,092	4,252	2,000	4,149

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 3:- SHORT-TERM BANK DEPOSITS (Cont.)

*) During December 2022, the Group and the Company purchased a short-term deposit in the amount of $2,000 that will mature in December 2023. The deposit bears an annual interest rate of 6.15%.

**) As of December 31, 2021 the balance was comprised of bank deposits with a principal amount of $4,000 that matured in January 2022. The deposits were 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, was calculated based on the historical performance of the share prices through that date representing future performance until maturity.

NOTE 4:- ACCOUNTS AND OTHER RECEIVABLES

Short-term:

	The Group		The Company	
	December 31,		December 31,	
	2022	2021	2022	2021
Trade receivables *)	158	360	286	2,261
Short-term receivables from the sale of ApiFix **)	1,330	2,175	1,330	2,175
Cash held by trustee ***)	1,386	–	1,386	–
Receivable from sale of Orthospin **)	2,355	–	1,958	–
Government authorities	25	91	23	8
Related Parties	355	307	5,136	3,529
Others	720	428	558	328
	6,329	3,361	10,677	8,301

Long term:

	The Group		The Company	
	December 31,		December 31,	
	2022	2021	2022	2021
Receivable from sale of Orthospin **)	–	2,347	–	1,968
Receivables from the sale of ApiFix **)	1,393	2,753	1,393	2,753
Related Parties	96	176	–	–
	1,489	5,276	1,393	4,721

*) Trade receivables are non-interest bearing and are generally on terms of 90 days. As of December 31, 2022, and 2021, trade receivables were neither past due nor impaired.

**) See note 9(B)(2),9(B)(3)

***) Primarily cash received from ApiFix and held with a trustee which is available to the Company and the Group upon demand.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 5:- SHORT-TERM LOANS TO PORTFOLIO COMPANIES

	The Group		The Company	
	December 31,		December 31,	
	2022	2021	2022	2021
To Portfolio Companies - related parties (1)	91	287	91	225

(1) The loans bear interest of 4% per annum for the years ended December 31, 2022 and 2021.

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, 2021	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
Additions	40	(110)	47	(23)
Disposals	–	(15)	(14)	(29)
Balance as of December 31, 2022	1,735	803	640	3,178
Accumulated depreciation:				
Balance as of January 1, 2021	1,033	301	407	1,741
Depreciation	165	88	78	331
Disposals	–	(43)	–	(43)
Balance as of December 31, 2021	1,198	346	485	2,029
Depreciation	162	82	84	328
Disposals	–	(15)	(12)	(27)
Balance as of December 31,2022	1,360	413	557	2,330
Depreciated cost:				
Balance as of December 31, 2022	375	378	95	848
Balance as of December 31, 2021	497	582	122	1,201

* The property, plant and equipment are primarily located in Israel.

Notes to the Financial Statements

U.S. dollars in thousands, except 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, 2021	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
Additions	40	12	32	84
Disposals	–	–	(14)	(14)
Balance as of December 31, 2022	937	310	449	1,696
Accumulated depreciation:				
Balance as of January 1, 2021	68	68	189	325
Merger *)	415	108	117	640
Depreciation	70	66	45	181
Disposals	–	(43)	–	(43)
Balance as of December 31, 2021	553	199	351	1,103
Depreciation	72	21	47	140
Disposals	–	–	(12)	(12)
Balance as at December 31,2022	625	220	386	1,231
Depreciated cost:				
Balance as of December 31, 2022	312	90	63	465
Balance as of December 31, 2021	344	99	80	523

*) See note 1(A).

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 7:- FAIR VALUE MEASUREMENT

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

	The Group							
	December 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Portfolio Companies	–	–	89,777	89,777	–	–	83,046	83,046
Short-term bank deposits	–	–	–	–	–	–	4,149	4,149
Contingent consideration receivable	–	–	744	744	–	–	6,599	6,599
	–	–	90,521	90,521	–	–	93,794	93,794
Financial liabilities								
Loan	–	–	292	292	–	–	233	233
Loans from IIA	–	–	2,469	2,469	–	–	2,718	2,718
	–	–	2,761	2,761	–	–	2,951	2,951

	The Company							
	December 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Short-term bank deposits	–	–	–	–	–	–	4,149	4,149
Contingent consideration receivable	–	–	744	744	–	–	6,599	6,599
	–	–	744	744	–	–	10,784	10,784
Financial liabilities								
Loan	–	–	292	292	–	–	233	233
Loans from IIA	–	–	1,197	1,197	–	–	1,434	1,434
	–	–	1,489	1,489	–	–	1,667	1,667

Notes to the Financial Statements

U.S. dollars in thousands, except 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 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 data

NOTE 7:- FAIR VALUE MEASUREMENT (Cont.)

C. General Overview of Valuation Approaches used in the Valuation (Cont.)

4. Option Pricing Model ("OPM") (Cont.)

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average) % 2022	Range (weighted average) % 2021	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	Increase (decrease) in the growth rate would result in increase (decrease) in fair value
		NPV discount rate	–	2.05	Decrease (increase) in the NPV discount rate would result in increase (decrease) in fair value
	Market Comparable Approach	Revenue Multiplier	1.36-3.81 (2.59)	1.94 – 5.12 (3.60)	Increase (decrease) in the revenue multiplier would result in increase (decrease) in fair value
		Weighted average cost of capital (WACC)	25-50 (36)	30 – 50 (39)	Decrease (increase) in WACC rate would result in increase (decrease) in fair value
	Cost Approach	Weighted average cost of capital (WACC)	50-60 (54)	50 – 60 (56)	Decrease (increase) in WACC rate would result in increase (decrease) in fair value
Loans from IIA	Black and Scholes formula for option pricing	Expected term (years)	4-6(4.97)	1.92 – 3 (2.37)	Increase (decrease) in the parameter would result in decrease (increase) in fair value
		Expected volatility (annual)	41-96(64)	45 – 119 (74)	
		Risk free interest rate	0.6-0.9(0.7)	-2.5- -2.4 (-2.4)	
	Present value of the expected cash flows	Risk adjusted discount rate	9.9-10.8 (10)	2.4 – 7.9 (5.1)	

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 7:- FAIR VALUE MEASUREMENT (Cont.)

D. Reconciliation of fair value measurements that are categorized within Level 3 of the fair value hierarchy in financial instruments:

	The Group	
	Investment in Portfolio Companies	Loans from IIA
As of January 1, 2021	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	–	(150)
Disposals	(9,835)	–
As of December 31, 2021	83,046	(2,718)
Total unrealized gain (loss) recognized in profit or loss *)	(2,470)	427
Total realized gain (loss) recognized in profit or loss *)	–	–
Additions	9,201	(178)
As of December 31, 2022	89,777	(2,469)

*) 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 Group holds 50% in Maryland Israel/Trendlines Fund GP LLC ("GP"), which is the general partner of Maryland Israel/Trendlines Fund LP ("MITF"), a venture capital fund of approximately $4,300 of committed capital raised from various limited partners. MITF does not pay management fees. The GP is entitled to receive 20% of MITF's net profit (the "20% carry"), to be paid only after the limited partners' capital is paid back by way of distributions by MITF to its limited partners. As of December 31, 2022, MITF has not yet reached the value or realization that would entitle the GP to receive the 20% carry.

In November 2019, the Group announced the first close of a fundraising round for its new Trendlines Agrifood Fund Pte Ltd. (the "Fund") with Trendlines Venture Holdings as a GP, together with the beginning of operations of the Trendlines Agrifood Innovation Centre in Singapore ("AFIC"). As of December 31, 2022, the investors committed to invest approximately $18,430 in redeemable shares of the Fund. As of the date of the approval of the financial statements, the Fund had called and received $14,072 (2021: $9,216).

AFIC as the fund manager has responsibility for identifying and sourcing investments for the Fund. As of December 31, 2022, the Fund has invested in seven companies, three of which are also held by the Group as portfolio companies, in which AFIC holds less than 10%. AFIC is entitled to 2% of the committed amount as a management fee. The management fee is recorded in other income in profit and loss for the years ended December 31, 2022 and 2021 is $292 and $368, 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, 2022, the GP is not entitled to any carried interest from the Fund.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 8:- INVESTMENT IN INVESTEES (Cont.)

The Bayer Trendlines Ag Innovation Fund ("Bayer Fund"") with AgFund GP as the GP – as of December 31, 2022, The Bayer Fund invested in 4 companies (simultaneously with the investment and or establishment of the same 4 companies as part of our portfolio companies). The Bayer Fund does not pay management fees (except for participation in part of the salary of one employee), did not dispose of any of its holdings and has not yet reached the value or realization that would entitle the GP to receive the 20% carry.

Name of company (Country of incorporation and place of business)	Principal activities	Proportion of ownership interest	
		2022	2021
		%	%
InterVaal Pte Ltd	Reduced catheter-associated urinary tract infections	91.53	91.07
Continale Medical Pte Ltd	Device to alleviate stress urinary incontinence	93.05	92.00
Avir Medical Pte Ltd	Endotracheal tube reduces ventilator-associated pneumonia	80.05	79.00
Medulla Pro Technology Pte Ltd	Ultrasound-guided imaging for lumbar puncture	94.08	93.40
Ayzer Sense Technology Pte Ltd	Body pressure redistributor prevents pressure ulcers	77.63	77.51
Endosiq Technology Pte Ltd	Proprietary software to analyze real-time images of the bladder	81.46	78.00
Szone Medical Pte Ltd	Noninvasive hydration device	84.81	81.23
NICE Surgical Solutions Pte. Ltd.	Tools for more efficient intracorporeal colorectal anastomosis	79.81	75.28
Occutrack Medical Solutions Pte. Ltd.	Monitoring conditions that lead to deteriorating visual acuity	81.15	88.28
Nasotrak Medical Pte. Ltd.	Nasogastric tube safety system	81.98	78.78
STEP Surgical Solutions Pte. Ltd.	Fluid-operated tacker and cutting instrument	83.00	100.00
Dermucut Medical Pte. Ltd.	Solution to improve scar revision outcomes	88.24	85.00
Tendonplus Medical Pte. Ltd.	Preventing sutures from cutting into the tendon to reduce post-surgery rotator cuff failure	84.86	84.00

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 9:- INVESTMENTS IN PORTFOLIO COMPANIES

A. Information on Portfolio Companies

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

	December 31, 2022		December 31, 2021	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Companies in Incubation Period	6,042	7	3,570	4
Incubator Graduate Companies (1)	79,527	34	74,735	31
Other Portfolio Companies	4,208	7	4,741	6
	89,777	48	83,046	41

(1) Includes one Portfolio Company whose fair value amounts to approximately $7,945 at December 31, 2021 (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 Asset Purchase Agreement was an asset acquisition of the Portfolio Company's medical device product and other assets (the "Product"), for cash consideration and for royalties on future net sales. Since transaction date, the Group received $2,700 as a dividend from Stimatix.

   The fair value of this Portfolio Company at December 31, 2021 was $7,945 which was written off as a result of the acquirer discontinuing the marketing of the product of Stimatix. Accordingly, a loss of $7,945 was recorded in the income statement as part of the Group's gain (loss) from change in fair value of investments in Portfolio Companies, net.

2. In April 2020, ApiFix Ltd. a Portfolio Company held by the Group was acquired by Nasdaq-traded OrthoPediatrics Corp. During 2020 – 2022 the Group received $10,070 from the exit of ApiFix and is expected to receive its portion (18.62%) of the following receivables (i) $8,000, of which at least 25% will be paid in cash, on the third anniversary of the Closing Date; and (ii) $9,000, of which at least 25% will be paid in cash, on the fourth anniversary of the Closing Date. In addition, to the extent that the product of OrthoPediatrics' revenues from the ApiFix System for the twelve months ended March 31, 2024 multiplied by 2.25 exceeds the $17,000 Anniversary Payments actually made for the third and fourth years, OrthoPediatrics will pay the ApiFix shareholders the amount of the excess ("Earnout").

   According to an updated valuation as of December 31, 2022, based on the agreement the Company recorded the Third Year Anniversary Payment in the discounted amount of $1,330 in current Accounts and Other Receivables. Based on the updated valuation, the Company recorded the Fourth Year Payments in the discounted amount of $1,393 (2021:$2,753) in non-current Accounts and Other Receivables and recorded Contingent Consideration Receivable of $744 (2021: $6,599).

   The Contingent Consideration Receivable which was estimated as $6,599 as of December 31, 2021 was reduced to $744, due to the reduction of the expected earnout payments liability in OrthoPediatrics Corp financial statements as of September 30, 2022.

   The loss from the change in the Contingent Consideration Receivable in the a amount of $5,855 is recorded in Financial Income in profit or loss for the year ended December 31, 2022.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

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

B. Sale transactions (Cont.)

3. In November 2021, OrthoSpin Ltd. a Portfolio Company was acquired by Synthes GMBH (the orthopedics company of Johnson & Johnson) for a total of $79,500 in cash, payable in full upon closing. The total net consideration attributable to Trendlines is $16,000. An amount of $13,665 was received during 2021, and the balance of $2,335 (2021: $2,348) held in escrow is presented in non-current Accounts and other receivables and is expected to be received during 2023.

NOTE 10:- IFRS 16, "Leases"

a. Lease extension options:

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

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

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

b. Right-of-use assets:

The Group leased their premises and vehicles for various periods, the latest of which ends in 2028. The underlining leased assets are primarily located in Israel.

Right-of-use assets

Cost:	
Balance as of January 1, 2021	3,205
Additions	1,401
Balance as of December 31, 2021	4,606
Disposals	(192)
Balance as of December 31, 2022	4,414
Accumulated depreciation	
Balance as of January 1, 2021	1,083
Depreciation charge	771
Balance as of December 31, 2021	1,854
Depreciation charge	602
Disposals	(100)
Balance as of December 31, 2022	2,356
Cost, net accumulated depreciation	
At December 31, 2021	2,752
At December 31, 2022	2,058

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 10:- IFRS 16, "Leases" (Cont.)

c. Statement of comprehensive income

The following items have been included in arriving at profit before taxation

2022	
Depreciation of right-of-use asset	602
Interest expense on lease liabilities	42
Total amount recognized in profit or loss	644
2021	
Depreciation of right-of-use asset	771
Interest expense on lease liabilities	82
Total amount recognized in profit or loss	853

d. Total cash outflows:

The Group had total cash outflows for leases of US$717 (US$866 as of December 31, 2021) during the financial year.

e. The Group subleased its leased space to its portfolio companies, and recognized 230 as short-term receivables and 96 as long-term receivables.

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

NOTE 11:- SHORT-TERM LOANS

During November 2021, Agriline Limited ("Agriline"), a related party, agreed to grant a loan in the principal amount of up to $700 (the "Loan") to the Group, for the purpose of financing a part of the Group's participation in the Series C fund-raising round of Vensica Medical Ltd. ("Vensica"), a portfolio company of the Group. As of December 31, 2022, the Group received a loan amount of $233. . The Loan bears a fixed annual interest rate of 7% . As a security for the Loan, the Group has (a) placed a first ranking fixed pledge and charge, in favor of Agriline, over the 30,887 shares of Vensica purchased with the Loan proceeds (the "Pledged Shares"). In addition, under the Loan Agreement, in consideration of Agriline waiving the Group's payment obligation of the Loan and all accrued interest until an Exit Event (as defined in the Loan agreement), the Group had agreed to pay to Agriline 20% of the profits (if any) that the Group has made on the Pledged Shares pursuant to the Exit Event (based on the investment amount of $700 being the principal amount of the Loan), but which shall in aggregate be capped at $4,500 (the "Additional Maximum Payment"). For the avoidance of any doubt, in the event the Group does not make any profit on the Pledged Shares pursuant to the Exit Event, there is no obligation of the Group to make the Additional Maximum Payment to Agriline. As of December 31, 2022 the fair value of the loan is $292. ($233 as of December 31, 2021)

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

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 12:- TRADE AND OTHER PAYABLES

	The Group		The Company	
	December 31,		December 31,	
	2022	2021	2022	2021
Trade payables	49	350	49	26
Employees and payroll accruals	226	907	164	570
Accrued vacation pay	268	308	218	250
Accrued expenses	2,739	2,157	2,046	1077
Other payables	111	524	85	281
	3,393	4,246	2,562	2,204

NOTE 13:- LOANS FROM THE ISRAEL INNOVATION AUTHORITY

Composition of Loans from the IIA:

	The Group		The Company	
	December 31,		December 31,	
	2022	2021	2022	2021
Old 8.3 Loans (see Note 16(A)(4))	266	519	124	384
Operation Loans (see Note 16(A)(5))	2,203	2,199	1,073	1,050
	2,469	2,718	1,197	1,434

NOTE 14:- FINANCIAL INSTRUMENTS

A. Financial risk management objectives and policies:

The Group's activities expose it to various financial risks such as market risk , foreign currency risk, credit risk and liquidity risk. The Group focuses on activities that reduce to a minimum any possible adverse effect on the Group's financial performance.

The Group's senior management is updating the audit committee and the board on those risks periodically, those risks are measured and managed in accordance with the Group's policies and objectives. All derivative activities for risk management purposes are carried out by the finance team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board reviews and approves the policies for each of the risks summarized below.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises principally foreign currency risk. Financial instruments affected by market risk include, among others, cash and cash equivalents, lease liabilities and contingent consideration receivable.

The sensitivity analysis presented below relate to the positions as of December 31, 2022 and 2021. The sensitivity analysis for contingent consideration receivable is provided in Note 9(B)(2).

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

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

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.

The Group's exposure to foreign currency risk relates primarily to cash and cash equivalents, lease liabilities and to certain operating expenses denominated in New Israel Shekel (NIS).

As of December 31, 2022, the Group has financial assets of cash and cash equivalents in NIS totaling approximately $1,863 (approximately $2,835 as of December 31, 2021).

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
2022	5%	93
	(5%)	(93)
2021	5%	142
	(5%)	(142)

Credit risk:

Credit risk is the risk that a counterparty will not meet its obligations as a customer or under a financial instrument leading to a loss to the Group. The Group is exposed to credit risk primarily from its receivables arising from the sale of ApiFix and sale of Orthospin (see Note 9(B)(2) and 9(B)(3) and from its cash and deposits with banks.

Credit risk from the Group's receivables arising from the sale of ApiFix is managed by the Group subject to the Group's policy, procedures and control relating to customer credit risk management. Credit quality is assessed based on a credit analysis and rating are defined in accordance with this assessment. The Group does not hold collateral as security for these receivables.

Credit risk from balances with banks is managed by the Group's management in accordance with the Group's policy. Investments of funds are made only with high credit-quality institutions.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

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

Liquidity risk:

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

The Group:

As of December 31, 2022:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years	> 5 years	Total
Trade and other payables	3,393	–	–	–	–	–	3,393
Short term loans	292	–	–	–	–	–	292
Lease liability	609	506	469	314	304	304	2,506
Other long-term liabilities	224	–	–	–	–	–	224
Loans from IIA *)	11,292	1,656	–	–	4,444	–	17,392
	15,810	2,162	469	314	4,748	304	23,807

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 loans	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 data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

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

Liquidity risk: (Cont.)

The Company:

As of December 31, 2022:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 Years	> 5 years	Total
Trade and other payables	2,562	–	–	–	–	–	2,562
Short term loan	292	–	–	–	–	–	292
Loans from IIA *)	3,190	614	–	–	1,771,	–	5,575
	6,044	614	–	–	1,771	–	8,429

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	–	4,964
	9,832	692	606	–	279	–	11,409

*) 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 data

NOTE 14:- FINANCIAL INSTRUMENTS (Cont.)

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

Liquidity risk: (Cont.)

Changes in liabilities arising from financing activities:

	Lease liability	Loans from IIA	Loans
Balance as of January 1, 2022	3,050	2,718	4,241
Additions	–	178	–
Repayments	(683)	–	(4,008)
Effect of changes in exchange rates	(274)	(329)	–
Effect of changes in fair value	–	(98)	59
Balance as of December 31, 2022	2,093	2,469	292
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

	31 December 2022	31 December 2021
Carrying amounts as presented:-		
Lease liability - current	419	776
- non-current	1,674	2,274
	2,093	3,050

B. Fair value:

Management believes that the carrying amount of short-term deposits, short-term loans, accounts and other receivables, and trade and other payables approximate their fair value due to the short-term maturities of these instruments.

C. Cash flow Hedging activities and derivatives:

Derivatives designated as hedging instruments reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future expenses in NIS. The changes in the fair value of the hedging instruments are measured through OCI, as the Group assesses them as effective.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 15:- TAXES ON INCOME

A. **Tax rates applicable to the Group:**

The Israeli corporate tax rate is 23% in 2021 and 2022.

B. **Final tax assessments:**

The Company and its Subsidiaries in israel have not received final tax assessments since their incorporation, however, self-assessments are deemed final through 2018 tax year.

C. **Carry-forward losses for tax purposes:**

Carry-forward operating tax losses of the Company and the Israeli subsidiaries total approximately $68,184 ($53,462 as of December 31, 2021) as of December 31, 2022. There is no expiration date for the utilization of the carry-forward losses. Deferred tax assets of $13,186 ($10,817 as of December 31, 2021) relating to these losses were recognized in the financial statements. The Carry forward losses in amount of $2,496 ($1,485 as of December 31, 2021) were not recognized.

D. **Deferred taxes:**

	Statements of financial position				Statements of profit or loss	
	The Group		The Company			
	December 31,		December 31,		Year ended December 31,	
	2022	2021	2022	2021	2022	2021
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	11,416	10,256	9,234	10,427	1,160	(1,125)
Loans from IIA	2,850	3,406	425	415	(556)	100
	14,266	13,662	9,659	10,842	604	(1,025)
Deferred tax assets:						
Carry-forward tax losses	13,186	10,817	9,659	8,613	2,369	2,191
Deferred revenues	800	322	–	–	478	191
Other	280	367	–	–	(87)	(52)
	14,266	11,506	9,659	8,613	2,760	2,330
Deferred tax expense (benefit)					(2,156)	(3,355)
Deferred tax liabilities, net	–	2,156	–	2,230		

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

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 15:- TAXES ON INCOME (Cont.)

E. Theoretical tax:

The reconciliation between the tax expense, assuming that all the income, expenses, gains and losses in profit or loss were taxed at the statutory tax rate and the taxes on income recorded in profit or loss is as follows:

	Year ended December 31,	
	2022	2021
Income (loss) before income taxes	(17,319)	2,645
Statutory tax rate	23%	23%
Tax computed at the statutory tax rate	(3,983)	608
Increase (decrease) in taxes on income resulting from the following:		
Non-taxable income	–	(3,140)
Increase in unrecognized tax losses	912	694
Differences in measurement basis	3,379	(1,382)
Utilization of previously unrecognized tax losses	(2,496)	(228)
Non-deductible expenses for tax purposes	56	64
Other	(24)	29
Tax benefit	(2,156)	(3,355)

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 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).

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).

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

U.S. dollars in thousands, except share data

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 Incubators are obligated to fund annual operating expenses of approximately $390 for the incubator. In order to secure this commitment, the Trendlines Incubator provided a bank guarantee for the benefit of the State of Israel in an amount equal to 50% of the investment amount (as a peripheral incubator) (approximately $195) in Agtech. This guarantee is in effect until the end of the three months following the termination of the agreement.

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.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

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

B. Other

In January 2018, a claim was filed against the Group and its CO-CEO's and CO-chairmen in the amount of NIS 558 (approximately $179), claiming that the Company was committed to pay the complainant success fees for certain investments in the Group by a specific investor.

In January 2022, the parties reached a settlement agreement for a payout in the final amount of NIS 180 (approximately $58). The settlement agreement was approved by the court.

NOTE 17:- EQUITY

A. Composition of Equity

	December 31, 2022		December 31, 2021	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares			
Ordinary shares NIS 0.01 par value	1,500,000,000	875,650,838	1,500,000,000	791,191,382

During January 2022, the Group entered into subscription agreements to raise approximately S$20.3 million (approximately US$15,000). Trendlines intends to issue 168,918,912 new Ordinary shares at an issue price of S$0.12 per share through the Proposed Subscription. Payment by the Subscribers will be made in eight (8) equal tranches based on the aggregate number of Ordinary Shares allocated to each Subscriber.

During 2022 the Company's share capital increased 84,459,456 shares. The shares were issued for a total consideration of US$7.5 million (US$7.47 million net of issuances cost of US$0.03 million).

B. Capital management

The Company's objectives for managing capital are:

- To preserve the Group's ability to ensure business continuity thereby creating a return for the shareholders, investors and other interested parties.
- To maintain risk-free financial leverage.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

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,	
	2022	**2021**
Operating, general and administrative expenses	677	222
R&D expenses	(119) *)	30
	558	252

*) Due to forfeitures

B. Employees Stock Option Plan:

In 2011, the Group adopted the Trendlines Group Ltd. 2011 Global Incentive Option Plan (the "2011 Plan").

Under the 2011 Plan, options may be granted to the Group's officers, directors, employees and consultants. The number of Ordinary shares authorized for issuance under the 2011 Plan amount to 53,125,664. In addition, following the adoption of the 2015 Plan, no new options shall be granted under the 2011 Plan, and no additional Ordinary shares shall be reserved for issuance under the 2011 Plan.

Under the 2011 Plan, the grantee may exercise its options to acquire Ordinary shares at an exercise price as determined by the board of directors at the grant date.

On 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.

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 18:- SHARE-BASED PAYMENT (Cont.)

B. Employees Stock Option Plan: (Cont.)

The Exercise Price for each Grantee shall be as determined by a Committee appointed by the Board (the "Committee"). The Committee specified in the applicable Option Agreement; provided, that: (i) unless otherwise determined by the Committee (which determination shall not require shareholder approval, unless so required in order to comply with the provisions of applicable Mandatory Law (including, for the avoidance of doubt, the Listing Manual)), the Exercise Price shall be the Fair Market Value of the Shares on the Date of Grant ("Fair Market Value Option"); and (ii) where the Exercise Price is set at a discount to the Fair Market Value of the Shares, the maximum discount shall not exceed 20% of the Fair Market Value of the Shares (or such other percentage or amount as may be determined by the Committee and permitted by the Sponsor or (if required) any other stock exchange on which the Shares are quoted ("Discounted Option").

Fair Market Value Options may be exercised after the first anniversary of the Date of Grant of that Option while Discounted Options may only be exercised after the second anniversary from the Date of Grant of the Option ("Cliff Period"). Unless otherwise determined by the Committee with respect to any specific Grantee and/or to any specific grant following the Cliff Period, the options shall vest upon the lapse of each full additional one (1) month thereafter of the Grantee's continuous service thereafter, until all the Options vested (that is, 100% of the grant will be vested after three (3) years). Unexercised Options shall expire and terminate and become null and void upon the lapse of 10 years from the Date of Grant.

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.

On April 16, 2022, the Company's board of directors approved the grant of 12,000,000 options to purchase 12,000,000 Ordinary shares of the Company to directors of the Company at an exercise price of S$0.107 (approximately $0.07) per share. The grant date fair value of the options in the amount of $409 (approximately $0.035 per unit) was determined using the binomial option pricing model.

The fair value for options granted during 2022 and 2021 was estimated using the binomial option pricing model with the following assumptions:

	2022	2021
Share price	0.075	0.072
Dividend yield (%)	0	0
Expected volatility of the share price (%)	37	42
Risk-free interest rate (%)	1.65-2.81	0.69-1.54
Expected life of share options (years)	10	10

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 18:- SHARE-BASED PAYMENT (Cont.)

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, 2022		December 31, 2021	
	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	77,267,628	0.10	66,000,915	0.12
Issuance of options during the year	12,000,000	0.08	21,550,000	0.07
Options expired and forfeited during the year	(7,868,879)	0.06	(10,283,287)	0.13
Options outstanding at end of year	81,398,749	0.10	77,267,628	0.10
Options exercisable at end of year	56,931,999	0.10	49,002,15	0.11

D. The weighted average remaining contractual life for the share options outstanding as of December 31, 2022 was 5.94 years (as of December 31, 2021 – 5.28 years).

E. The range of exercise prices for share options outstanding as of December 31, 2022 and December 31, 2021, was $0.07 - $0.08.

NOTE 19:- SELECTED STATEMENTS OF OPERATIONS DATA

A. Operating general and administrative expenses

	Year ended December 31,	
	2022	2021
Salaries and related expenses (including share-based payment)	7,409	7,342
Professional services	1,381	1,741
Consulting	868	851
Communications and offices	635	559
Vehicle expenses	167	127
Travel abroad	241	83
Depreciation	930	1,102
Issuance expenses of aborted public offering	–	313
Miscellaneous	133	212
Less – grants received from ESG	(149)	(1,205)
	11,615	11,125

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 19:- SELECTED STATEMENTS OF OPERATIONS DATA (Cont.)

B. R&D expenses, net

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and related expenses (including share-based payment)	693	1,165
Subcontractors and materials	1,638	492
Others	132	100
Less – grants received from ESG	(854)	(247)
	1,609	1,510

C. Financial expenses

	2022	2021
Exchange rate differences	303	155
Financial expenses from revaluation of loans from the IIA	–	153
Interest on deposits, net	–	124
Financial expense related to Contingent consideration from sale of ApiFix (see Note 9(B)(2))	5,855	–
Interest related to lease liability	40	82
	6,198	514

D. Financial income

	2022	2021
Interest on deposits, net	11	22
Interest related to subleases receivables	24	–
Financial income related to lease liability	250	–
Financial income related to receivable from the sale of ApiFix (see Note 9(B)(2))	259	91
Financial income related to Contingent consideration from sale of ApiFix		3,701
Financial income from revaluation of loans from the IIA	329	446
	873	4,260

Notes to the Financial Statements

U.S. dollars in thousands, except 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,			
	2022		2021	
	Weighted number of shares	Net loss attributable to equity holders of the Company	Weighted number of shares	Net income attributable to equity holders of the Company
	In Thousands	U.S in thousands	In Thousands	U.S in thousands
For the computation of basic net earnings	840,459	(14,480)	791,191	6,563
Effect of potential dilutive Ordinary shares	–	–	–	–
For the computation of diluted net earnings	840,459	(14,480)	791,191	6,563

B. For the computation of diluted net earnings per share for the years ended December 31, 2022, all outstanding options under the share-based payment plans have not been considered since their conversion decreases the basic loss per share (anti-dilutive effect).

In 2021, all outstanding option were out of the money.

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 SSG Tech grants received and recognized in the Singaporean subsidiaries incubated by Trendlines Medical Singapore are SGD$725 (approximately US$508) and SGD$1,495 (approximately US$1,131) for the years ended December 31, 2022 and 2021, respectively.

Trendlines Medical Singapore received in 2022 ESG grant amounts to approximately SGD$439 (approximately $307). 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$2,195 (approximately $1,536).

Notes to the Financial Statements

U.S. dollars in thousands, except share data

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

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 in 2022 (approximately $50) and approximately SGD$71in 2021 (approximately $50).

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	
	December 31, 2022	**December 31, 2021**
Asset:		
Accounts and other receivables	451	348
Short-term loans	91	287

	The Group Related party	
	December 31, 2022	**December 31, 2021**
Liabilities:		
Loan (1)	292	233

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

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

	Year ended December 31,			
	2022		**2021**	
	Portfolio Companies	**Associates and other related parties**	**Portfolio Companies**	**Associates and other related parties**
Income from services to Portfolio Companies	2,556	–	1,542	–
Operating, general and administrative expenses	–	(3)	–	(1)

Notes to the Financial Statements

U.S. dollars in thousands, except share data

NOTE 22:- RELATED PARTIES TRANSACTIONS (Cont.)

A. Balances and transactions: (Cont.)

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,	
	2022	**2021**
Salaries and related expenses	2,960	3,124
Share-based payment	466	232
	3,426	3,356

NOTE 23:- EVENTS AFTER REPORTING DATE

During 2023, The Company received partial payment of the fifth installment of the subscription agreement. The amount received is US$1,719 and issue 19,353,884 shares.

Statistics of Shareholding

As at 16 February 2023

Issued and fully paid-up capital:	US$88,950,171
Number of issued shares:	893,246,558
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 16 February 2023, approximately 52 % of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, is complied with.

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Shares
1 - 99	5	0.44	114	0.00
100 - 1,000	46	4.07	21,800	0.00
1,001 - 10,000	172	15.24	1,325,480	0.15
10,001 - 1,000,000	852	75.47	114,543,097	12.82
1,000,001 AND ABOVE	54	4.78	777,356,067	87.03
Total	**1,129**	**100.00**	**893,246,558**	**100.00**

* Subsidiary holdings is defined in the Listing Manual Section B: Rules of Catalist of the SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap 50 Singapore.

Statistics of Shareholding

As at 16 February 2023

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% of Shares
1	Librae Holdings	244,173,126	27.34
2	BNY Mellon as the ADSs Depositary Bank*	93,353,312	10.45
3	Zeev Bronfeld	72,732,416	8.14
4	Amos & Daughters Investments & Properties	39,182,452	4.39
5	Stone Robert Alexander	27,785,440	3.11
6	B. Braun Melsungen	25,744,000	2.88
7	David Todd Dollinger	19,619,562	2.20
8	Stephen Louis Rhodes	19,619,562	2.20
9	Suan Aik Boon	18,794,800	2.10
10	Asdew Acquisitions	18,350,000	2.05
11	Morph Investments	16,550,000	1.85
12	Lachman Family Limited Partnership	14,704,745	1.65
13	Wang Yu Huei	10,383,600	1.16
14	Lim Chin Choo Elizabeth	9,745,800	1.09
15	Lo Tak Meng	5,870,000	0.66
16	Wirtz Jochen	5,338,100	0.60
17	Lee Lai Heng Brian	5,198,100	0.58
18	Lim Seng Chiang	5,008,000	0.56
19	Lim Tiong Kheng Steven	4,129,600	0.46
20	Ezra S. Goldman Revocable Trust	3,911,136	0.44
	Total	**660,193,751**	**73.91**

* The underlying ADSs (American Depositary Shares) held under BNY Mellon includes (i) DBS Nominees (Private) Limited holding 1,854,114 ADSs representing 92,705,712 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	244,173,126	27.34	–	–	244,173,126	27.34
ZEEV BRONFELD	72,732,416	8.14	–	–	72,732,416	8.14
BNY MELLON as the ADSs DEPOSITARY BANK	93,353,312	10.45	–	–	93,353,312	10.45

Notes:

(1) Percentage is calculated based on total issued shares of the Company less treasury shares and subsidiary holdings, if any (i.e. 893,246,558).

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 2022 (the "**FY2022**") (the "**AGM**") will be convened and held by way of electronic means on **Wednesday, 19 April 2023 at 4.00 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 2022 together with the Auditors' Report thereon.

2. To re-elect Ms. Nehama Ronen, who is retiring pursuant to Article 40(g) of the Company's Articles of Association, as a Director of the Company.

   [See Explanatory Note (i)] **[RESOLUTION 1]**

3. To re-elect Professor Low Teck Seng, who is retiring pursuant to Article 40(g) of the Company's Articles of Association, as a Director of the Company.

   [See Explanatory Note (ii)] **[RESOLUTION 2]**

4. To re-elect Mr. David Todd Dollinger, who is retiring pursuant to Articles 40(c) and (d) of the Company's Articles of Association, as a Director of the Company.

   [See Explanatory Note (iii)] **[RESOLUTION 3]**

5. To re-elect Mr. Zeev Bronfeld, who is retiring pursuant to Articles 40(c) and (d) of the Company's Articles of Association, as a Director of the Company.

   [See Explanatory Note (iv)] **[RESOLUTION 4]**

6. To re-elect Mr. Sin Boon Ann, who is retiring pursuant to Articles 40(c) and (d) of the Company's Articles of Association, as a Director of the Company.

   [See Explanatory Note (v)] **[RESOLUTION 5]**

7. To re-appoint Messrs. Ernst & Young LLP (Singapore), as external independent auditors of the Company until the consummation of the Company's next AGM and to authorise the Directors of the Company ("Directors") to fix their remuneration.

   [RESOLUTION 6]

Special Business

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

8. 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:

Notice of Annual General Meeting

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro-rata basis to existing Shareholders shall not exceed 25.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time this authority is given, after adjusting for: (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time this authority is given; (b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this authority, provided that the share options or share awards were granted in compliance with the Catalist Rules; and (c) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the provisions of Israeli Companies Law for the time being in force, the Articles of Association for the time being of the Company and The Trendlines 2015 Share Option Plan; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (a) the conclusion of the next annual general meeting of the Company or (b) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (vi)] **[RESOLUTION 7]**

9. 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
Eunice Hooi Lai Fann
Joint Company Secretaries

14 March 2023

Explanatory Notes:

(i) Ms. Nehama Ronen ("**Ms. Ronen**") will, if re-elected as a Director of the Company, remain as a Non-Executive Director of the Company, member of the Audit Committee and the Nominating Committee. Ms. Ronen will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Additional information on Ms. Ronen as required to be furnished pursuant to Rule 720(5) of the Catalist Rules can be found in the Corporate Governance Report section of the Company's Annual Report for FY2022.

(ii) Professor Low Teck Seng ("**Prof. Low**") will, if re-elected as a Director of the Company, remain as a Non-Executive Director of the Company, and member of the Remuneration committee. Prof. Low will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Additional information on Prof. Low as required to be furnished pursuant to Rule 720(5) of the Catalist Rules can be found in the Corporate Governance Report section of the Company's Annual Report for FY2022.

Notice of Annual General Meeting

(iii) Mr. David Todd Dollinger ("**Mr. Dollinger**") will, if re-elected as a Director of the Company, remain as Co-Chair of the Board of Directors of the Company and Co- Chief Executive Officer of the Company.

Additional information on Mr. Dollinger as required to be furnished pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST can be found in the Corporate Governance Report section of the Company's Annual Report for FY2022.

(iv) Mr. Zeev Bronfeld ("**Mr. Bronfeld**") will, if re-elected as a Director of the Company, remain as a Non-Executive Director of the Company.

Additional information on Mr. Bronfeld as required to be furnished pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST can be found in the Corporate Governance Report section of the Company's Annual Report for FY2022.

(v) Mr. Sin Boon Ann ("**Mr. Sin**") will, if re-elected as a Director of the Company, remain as a Non-Executive Director of the Company, member of the Audit Committee and the Nominating Committee. Mr. Sin will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Additional information on Mr. Sin as required to be furnished pursuant to Rule 720(5) of the Catalist Rules can be found in the Corporate Governance Report section of the Company's Annual Report for FY2022.

(vi) Ordinary Resolution 7 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.

(vii) Ordinary Resolutions 1,2,3,4,5,6 shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon. **Only shareholders of record at the close of business on 11 April 2023, 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**.

(viii) For information relating to the compensation of our top five most highly compensated office holders with respect to the FY2022, please refer to principle 8 in the Corporate Governance Report in our Annual Report for FY2022.

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.

   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 Chair of the AGM in advance of the AGM;

   (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; and

   (d) live voting or appointing proxy(ies) or the Chair of the AGM as proxy to attend and vote on their behalf at the AGM.

Notice of Annual General Meeting

2. Pre-registration for the AGM

   Shareholders, proxyholders, Central Provident Fund (CPF) and Supplementary Retirement Scheme (SRS) investors attending the AGM 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.com/sg/TrendlinesSGMAPR2023/ for verification purposes by **4.00 p.m. on 17 April 2023**, 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.com/sg/TrendlinesSGMAPR2023/ by **4.00 p.m. on 17 April 2023**, 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 **4.00 p.m. on 17 April 2023** deadline but have not received the Confirmation Email by **4.00 p.m. on 18 April 2023** 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 Chair of the AGM, in advance of the AGM by submitting questions by e-mail to Mr. Haim Brosh, Joint Company Secretary, at haim@trendlines.com or in hard copy by post to the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 no later than seven (7) calendar days in advance of the AGM (i.e. by **4.00 p.m. on 12 April 2023**).

   The Company will endeavour to address the substantial and relevant questions on SGXNet and its website no later than three (3) days prior to the proxy form submission deadline of the AGM, i.e. before 14 April 2023. The responses to other questions, 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.

   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).

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

Notice of Annual General Meeting

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 **4.00 p.m. on 18 April 2023**. 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 Chair 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 as soon as possible and in any event so as to arrive at the registered office of the Company at T'chelet Street 17, Misgav Industrial Park, 2017400 Israel, or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to 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 **4.00 p.m. on 17 April 2023**).

Notwithstanding the above, the Chair 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.

As it may be 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.

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 Chair 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 **4.00 p.m. on 6 April 2023**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chair 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 Chair 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 Chair 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/Passport No./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 Chair 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, 19 April 2023 at 4.00 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 Chair of the AGM as my/our proxy), such appointment of the Chair as my/our proxy for that resolution will be treated as invalid; and

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

No.	Resolution	For*	Against*	Abstain*
1.	Re-election of Ms. Nehama Ronen as a Director of the Company			
2.	Re-election of Professor Low Teck Seng as a Director of the Company			
3.	Re-election of Mr. David Todd Dollinger as a Director of the Company			
4.	Re-election of Mr. Zeev Bronfeld as a Director of the Company			
5.	Re-election of Mr. Boon Ann as a Director of the Company			
6.	Re-appointment of Messrs. Ernst & Young LLP (Singapore), as external independent auditors and to authorize the Directors to fix their remuneration			
7.	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 ______________ 2023.

Total No. of Shares Held

____

Signature(s) of shareholder(s)/Common Seal of corporate shareholder

IMPORTANT:

PLEASE READ NOTES BELOW OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. The AGM will be convened and held by way of electronic means/virtual-only format, 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 Chair 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 Chair 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 Chair of the AGM as proxy for that resolution will be treated as invalid.

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 **4.00 p.m. on 17 April 2023**).

   Notwithstanding the above, the Chair 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.

   As it may be 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 Chair 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 **4.00 p.m. on 6 April 2023**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chair 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 11 April 2023, 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

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trendlines

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