

Trellus Health plc
("Trellus Health", the "Company" or the "Group")

Half-year Report

Trellus Health Plc (AIM: TRLS), the AIM listed provider of scientifically validated, resilience-based, connected health solutions for chronic condition management, announces its maiden unaudited half-year report for the six months ended 30 June 2021 following admission to trading on AIM on 28 May 2021.

About Trellus Health

Trellus Health is a leading pioneer in resilience-driven care and the first digital health company focused on the intersection of chronic physical conditions and mental health. Trellus Health's digital-first chronic care management solution integrates convenient telehealth access to a licensed multidisciplinary care team with a suite of tools for resilience assessment, education and behaviour modification, remote monitoring, health maintenance and prevention.

Through its TrellusElevate™ connected care platform and companion App, the Company coordinates expert whole-person care, addressing both clinical and behavioural health together, in context, to improve outcomes and reduce healthcare costs for patients, employers, and the healthcare system. The Company is initially focused on Inflammatory bowel disease ("**IBD**"), which includes the chronic incurable conditions of Crohn's Disease and ulcerative colitis, but considers its approach to have potential utility and demand across many chronic conditions.

Financial Highlights

- Successful admission to AIM with fundraising of gross proceeds of c. \$40.4m (£28.5m) at the 40p issue price.
- In-licensed IP underlying product technology for \$0.5m.
- Approximately \$1.7m capital investment in technology platform development at the end of June 2021.
- Net cash of \$39.7m (31 December 2020: \$3.7m).
- Adjusted EBITDA* loss of \$1.36m (period from inception 15 July 2020 to 31 December 2020: \$0.8m loss).

** Earnings before interest, tax, depreciation and amortisation adjusted for exceptional items*

Post-period end

- First Demonstration contract with Mount Sinai Employee Health Plan announced in August 2021.
- TrellusElevate™ Platform V1.0 launched in July; companion App is available

- for download on the App Store and Google Play.
- Over 150 proprietary digital behavioural skills modules available through TrellusElevate™.
- Managed Services Organization Agreement executed with Connected Health Medicine PC to deliver resilience-based multidisciplinary care using licensed clinical professionals trained on the GRITT™ methodology via the TrellusElevate™ platform.
- Appointment of Aled Stevenson as UK Managing Director to complement key executive hires in product development, technology, conversational AI, and clinical operations during H1 2021.

Commenting on recent developments and outlook, Julian Baines, Non-executive Chairman of Trellus, said:

"We are very pleased with the rate of progress made since IPO and remain confident in continuing to deliver against key operational milestones in accordance with our plans. Our immediate strategy is focused on developing and enhancing the TrellusElevate™ platform, which was launched in July, and we have already hit an early key milestone by securing our first demonstration contract with the Mount Sinai Health system employee health plan.

"We continue to anticipate signing contracts for additional new demonstration programmes with health plans over the coming months. These will not only assess feasibility, engagement and satisfaction, but also demonstrate the health economics studies of our solutions. Data from these projects are expected to reinforce what we already know from previous studies, that IBD patients show significant improvements in resilience and reductions in unplanned healthcare by using our proprietary methodology and resilience-driven multidisciplinary care model.

"We are also very pleased with the progression of our dialogue with large organisations outside of health plans and employers, including those within the pharmaceutical industry, who have recognised the potential value of our platform to support their goals, as well as third parties interested in applying our methodology to other illnesses."

A copy of the investor presentation is available here: <https://trellushealth.com/investors/annual-interim-reports/>

The Company will also host a live online presentation today at 4.30pm today through the digital platform *Investor Meet Company*. Investors can sign up for free via:

<https://www.investormeetcompany.com/trellus-health-plc/register-investor>

A recording of the presentation and responses to the Q&A sessions will also be available afterwards.

Trellus Health plc

Julian Baines, Non-executive Chairman
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Salim Hamir, CFO

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About Trellus Health plc (www.trellushealth.com)

Trellus Health (LSE: TRLS) is a leading pioneer in resilience-driven care and the first digital health company focused on the intersection of chronic physical conditions and mental health. Trellus Health's digital-first chronic care management solution integrates convenient access to a licensed multidisciplinary care team with a suite of tools for resilience assessment, education and behavior modification, remote monitoring, health maintenance and prevention. Through its TrellusElevate™ connected care platform and companion App, the company coordinates expert whole-person care, addressing both clinical and behavioral health together, in context, to improve outcomes and reduce healthcare costs for patients, employers, and the healthcare system.

Trellus Health is commercialising the provision of digital chronic condition management solutions for employers and health plans that utilise the scientifically validated resilience-based methodology and a proprietary HIPAA-compliant technology platform called TrellusElevate™ to coordinate and deliver personalised care remotely via telehealth. The Company is initially focused on Inflammatory bowel disease ("IBD"), which includes the chronic incurable conditions of Crohn's Disease and ulcerative colitis, but considers its approach to have potential utility and demand across many chronic conditions.

The TrellusElevate™ platform is the Company's proprietary connected health platform that incorporates the proprietary methodology and learnings on resilience from clinical research and practice conducted at the Mount Sinai IBD Center for more than five years. The proprietary methodology and resilience-driven multidisciplinary care model have been scientifically validated to demonstrate meaningful improvements in patient outcomes and over 85 per cent. reduction in unplanned healthcare utilisation (emergency department visits and hospitalisations) which the directors of the Company believe indicates the potential for significant cost savings for healthcare payers.

The company was founded by Dr. Marla C. Dubinsky, MD and Dr. Laurie Keefer, PhD, both with decades of combined experience in IBD and psychogastroenterology, respectively. Trellus Health's patent-pending GRITT™ resilience assessment and personalized treatment methodology was developed and validated at the Mount Sinai Health System to build resilience and wellness for improved outcomes at lower cost.

Shares in Trellus Health were admitted to trading on AIM in May 2021, under the ticker TRLS. For more information on Trellus Health, visit www.trellushealth.com.

CHAIRMAN'S STATEMENT

I am very pleased to present the inaugural interim report for Trellus Health plc following our successful admission to AIM in May 2021.

Trellus Health was established in July 2020 to commercialise digital chronic condition management solutions for employers and health plans, using our proprietary technology platform, TrellusElevate™, in combination with a scientifically validated, resilience-based methodology based on more than five years of clinical research and practice conducted on hundreds of patients at the Mount Sinai IBD Center, in New York. Whilst the Company's initial focus is on IBD, we believe that there is demand for this solution to be used across many chronic conditions to deliver meaningfully improved healthcare outcomes as well as reducing expensive, unplanned care, such as emergency department visits and hospitalisations.

We are confident that with modest incremental development to our technology platform, we will be able to:

- deliver coordinated multidisciplinary care from licensed health professionals via telehealth;
- reinforce clinical plan adherence in partnership with specialist care providers (rather than disintermediating them);
- modify behaviours to build patient resilience over time through proven interventions;
- engage and educate patients and specialist care providers;
- continually monitor and analyse clinical and behavioural markers; and
- significantly improve healthcare outcomes and reduces expensive, unplanned care.

AIM Admission

On 28 May 2021, we concluded a successful fundraising and the Company's shares were admitted to trading on the AIM market of the London Stock Exchange. We were delighted that the fundraising was significantly oversubscribed, generating around \$38.5m in net funds that will be deployed in driving the commercialisation of our solutions, as we strive to enable and deliver personalised and more cost-effective care for all people living with chronic conditions.

We are hugely grateful to all of our shareholders for their support in this endeavour. We were pleased to welcome new institutional investors at our AIM IPO, and we continue to enjoy the support of investors such as the Icahn School of Medicine at Mount Sinai ("**ISMMS**"), as well as investors who became Trellus Health shareholders via the distribution in specie undertaken by EKF Diagnostics Holdings plc of its original investment in the Company's share capital. Many of the latter increased their shareholding via the Restricted Offer, which formed part of the IPO fundraising and was also significantly oversubscribed. Having raised funds at an issue price of 40 pence, I am very pleased to note that the shares are currently over 50% higher, and we are progressing well at this early stage of our AIM journey.

As we said in our AIM Admission Document, it is our intention to deploy the funds raised for the following purposes:

- to pay amounts due under the ISMMS licence agreement;
- to continue the development and enhancement of the TrellusElevate™ platform, including developing the conversational artificial intelligence technology in managing and providing support to patients;
- for commercialisation, marketing and business development;
- for general corporate overheads, including other planned capital

expenditure;

- for research and academic collaboration purposes and geographic expansion purposes;
- to pursue scientific development and partnerships; and
- for the balance to be made available as contingency and providing additional working capital.

Key Investment Strengths & Strategy

When we came to the public markets, we spoke extensively with investors about the strong position that Trellus Health has in the market to co-ordinate expert, whole-person care for people living with chronic conditions, and in doing so demonstrate the compelling economic case for Trellus Health's resilience-based, digital care management solution. We believe this will drive wide-scale adoption by self-insured employers and healthcare payers looking to reduce the significant cost of unplanned healthcare utilisation associated with the high-cost /high-need chronic condition patients. At the time of our AIM IPO, we identified the key strengths of the Trellus Health equity story and model and I believe it is helpful to set them out again, below:

- *Large addressable markets* of chronic and mental health conditions and Inflammatory Bowel Disease (IBD), representing respectively over \$3 trillion and \$30-50 Billion total annual costs in the US.
- *Exclusive license with ISMMS*, the medical school of the Mount Sinai Health System, to commercialise the patent-pending GRITT™ (Gaining Resilience Through Transitions) methodology for IBD and seven other chronic disease categories.
- *Compelling health economics and societal benefits*: Scientifically validated GRITT™ methodology deployed at the IBD Center at Mount Sinai resulted in patients achieving a 70 per cent. increase in resilience and a corresponding 88-90 per cent. reduction in emergency department visits and hospitalisations, indicating significant potential cost savings for healthcare payers.
- *Democratisation of access to expert resilience-driven care*: the Company's connected health solution and GRITT™ resilience methodology will be delivered digitally via the TrellusElevate™ platform and companion mobile app, and through convenient telehealth interactions with a dedicated licensed multidisciplinary care team that monitors and coordinates care in collaboration with patients' clinical care Providers.
- *Rapid expected commercialisation with attractive business model*: the Company expects initial revenue in 2021 through demonstration projects with healthcare payers, as its connected care management solution and GRITT™ behavioral methodology are not currently subject to FDA regulation. The Company's digitally-delivered solution and value-based recurring revenue model will present attractive unit economics, high margins, cash generation, and forward visibility, [principally] as a function of the number of engaged patients in the program.
- *Highly experienced leadership team and Scientific Advisory Board*: The Company's Founders and executive team have extensive collective experience across clinical, commercial, and technological areas, and are supported by the Scientific Advisory Board (SAB) comprising ten pre-eminent experts consisting of IBD clinicians, researchers, nutritionists, and experts on Positive Psychology.

- *Data advantage:* The Company's longitudinal database will eventually provide a valuable source of predictive analytics for improving care, measurement and improvement of its own services, and the ability to inform drug discovery, development, and health policy.
- *Strong growth potential:* The Company expects to capitalise rapidly on its existing qualified pipeline of payer and pharmaceutical industry opportunities. Management believes that relatively modest adaptations of its GRITT™ methodology and technology platform will enable the Company to address other costly and widespread chronic conditions and to expand internationally.

Recent progress and outlook

Post-period end we were delighted to announce that we had achieved our first key milestone, by signing an agreement with the Mount Sinai Health System employee health plan, one of the largest self-insured employer health plans in New York State, to provide an IBD demonstration programme.

Not only does this allow Trellus Health to begin generating revenues, it also provides an opportunity to build up important data whilst assessing the feasibility, engagement and satisfaction of our digital chronic condition management solution in a real-life setting, using our resilience based digital care management solution for Mount Sinai employees living with IBD. This initial demonstration programme is expected to commence before the end of 2021 with conclusions from the final programme report expected in 2022.

Additional demonstration programmes are being designed to illustrate the potential health economics and return on investment to users of our digital chronic condition management solutions. We believe that these studies will generate data to drive demand for greater adoption, whilst simultaneously generating additional revenues for the Company.

In July 2021, the Company launched its TrellusElevate™ Platform V1.0. Access to the TrellusElevate™ platform and companion App are now available to authorized subscribers via the web, App Store and Google Play. V1.0 of the platform elegantly digitizes the GRITT™ IP licensed from ISMMS last year, enabling scalability and broad access to this scientifically-validated, whole-person care management methodology. The platform enables care coordination, communication, scheduling, and remote patient monitoring, so our patients never feel alone in their journey to improve their wellness. The platform also collects and monitors clinical lab results and patient reported outcomes to notify patients, their GI Providers, and the patient's care team of indicators of rising risk of disease flares or other signals important to their health, such as reduced resilience. Patients and their GI Providers are also sent automated wellness and safety reminders about vaccinations or necessary laboratory testing, depending on their disease severity or therapeutic regimen.

In addition to software development, the Company has developed a robust library of over 150 proprietary digital behavioural skills modules available through the TrellusElevate™ platform. These interactive skills modules complement and further educate patients about behaviour modification and resilience building concepts they review with their care team using Trellus technology. This library is complemented by a rich collection of carefully curated "Featured Content" for patients about topics

such as diet and nutrition, lifestyle, exercise and stress relief. All of the skills modules and Featured Content are available to patients 24/7 via the TrellusElevate™ platform.

Another important milestone achieved post-period end was the execution of a Management Services Organization (MSO) Agreement with Connected Health Medicine PC ("Connected Health"), a New York state licensed Professional Corporation or PC that will provide multidisciplinary patient care services via telehealth. Trellus will provide Connected Health with the technology necessary to offer digitally enabled chronic care management services through PC's licensed multidisciplinary care team, utilizing GRITT™ resilience assessment and methodology via TrellusElevate™. --

This agreement represents the first in a series of partnerships that will enable Trellus Health's proprietary technology platform and resilience-building methodology to be scaled geographically for licensed clinical care coordination and delivery across the United States. The Company intends to secure similar agreements with the goal of enabling licensed multidisciplinary care utilizing the GRITT™ methodology and TrellusElevate™ Platform in several US states before the end of 2021 in conjunction with potential demonstration programmes with various health plans and employer groups. The Company will engage in a continuous process of geographic expansion across the US, with the goal of enabling telehealth delivery of the GRITT Methodology via TrellusElevate across the majority of the United States by the end of 2022.

Talent acquisition is essential to achieve our ambitious growth targets, and we were fortunate to secure key executive hires in product development, technology, conversational AI, and clinical operations during the first half of 2021. Post-period end, we appointed Aled as Managing Director, UK to oversee geographic expansion through research and development initiatives. A 19-year veteran of Astra Zeneca, Aled is based in Wales and has an extensive network of professional contacts across Great Britain. He has already commenced discussions with several NHS Trusts regarding potential demonstration programmes.

We are very pleased with the rate of progress made since IPO and remain confident in continuing to deliver against key operational milestones in accordance with our plans. Our immediate strategy is focused on developing and enhancing the TrellusElevate™ platform, which was launched in July, and we have already hit an early key milestone by securing our first demonstration contract with the Mount Sinai Health system employee health plan.

We continue to anticipate signing contracts for additional new demonstration programmes with health plans over the coming months. These will not only assess feasibility, engagement and satisfaction, but also demonstrate the positive health economic impact of our solutions. Data from these projects are expected to reinforce what we already know from previous studies, that IBD patients show significant improvements in resilience and reductions in unplanned healthcare by using our proprietary methodology and resilience-driven multidisciplinary care model.

We are also very pleased with the progression of our dialogue with large organisations outside of health plans and employers, including those within the

pharmaceutical industry, who have recognised the potential value of our platform to support their goals, as well as third parties interested in applying our methodology to other illnesses.

We look forward to updating our shareholders as we make further progress in commercialisation, and I thank you again for your continued support.

Julian Baines, MBE
Non-Executive Chairman

22 September 2021

FINANCIAL REVIEW

The results presented cover the period from 1 January 2021 to 30 June 2020. The comparative information covers the period from incorporation on 15 July 2020 to 31 December 2020.

Income Statement

The Group is currently in its development phase and therefore has not yet commenced revenue earning. As this is the inaugural reporting period, no comparative similar period has been given. The Group's presentational currency is United States Dollar.

Administrative costs and operating loss

Administrative costs are \$1.36m before exceptional items including share-based payment. The major items of expenditure are personnel costs of \$1m after capitalisation of development costs, legal, accounting and fees associated with the set-up of the group of \$0.17m and general and administrative expenses \$0.19m. In addition, the depreciation is \$0.003m, share based payment charge is \$0.04m and exceptional item relating to listing costs of \$0.17m. Operating loss for the period is \$1.57m.

Balance sheet

Non-current assets

Non-current assets represent property, plant and equipment of \$0.03m representing equipment and computers and intangibles of \$2.2m

The intangibles include \$0.5m licence fee paid to Mount Sinai which will be amortised from July 2021 and internally developed Trellus Elevate platform \$1.7m.

Cash

The Group had cash on hand at 30 June 2021 of \$39.7m following the completion of the fundraising on IPO.

Capital restructure

On 6 May 2021 the Company issued bonus shares to the holders of the Ordinary

Shares, the A Shares and the Golden Share of £0.0001 each, in each case on the basis of five additional shares for every one share held by the shareholder on 6 May 2021 ("Bonus Issue"). Following the Bonus Issue, the issued share capital of the Company consisted of 541,350,000 shares, consisting of (i) 373,350,000 Ordinary Shares, (ii) 167,999,994 A Shares and (iii) 6 Golden Shares. As a result of the Bonus Issue, the Company's share premium account increased by \$64,000 which, when capitalised and added to the existing share capital, gave a total nominal value of £54,135. Following the Bonus Issue, the Company re-registered as a public limited company on 12 May 2021. On 24 May 2021, the 6 Golden Shares and the 167,999,994 A Shares were converted into Ordinary Shares, on a one-for-one basis, resulting in a share capital of 541,350,000 ordinary shares of £0.0001 each ("Conversion"). The 541,350,000 ordinary shares of £0.0001 each were then consolidated into 90,225,000 ordinary shares of £0.0006 on 24 May 2021.

New issue of share capital

The Company completed a public listing on the AIM market on 28 May 2021 and equity fundraising of \$38.5m net of fees and related charges. Following the placing, subscription and restricted offer, on Admission the Enlarged Share Capital of the Company consisted of 161,475,000 ordinary shares.

Dividend

As we stated in our Admission Document, at present we believe that it is more prudent to retain cash to fund the development of the Company rather than pay a dividend.

Salim Hamir

CFO and Company Secretary

22 September 2021

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2021

	Notes	Period ended 30 June 2021 US\$'000	Period ended 31 December 2020 US\$'000
Continuing operations			
Administrative expenses		(1,358)	(762)
Exceptional expense - share based payments		(39)	-
Exceptional expense - listing cost	3	(170)	-
Loss from operations		(1,567)	(762)
Income tax charge	4	-	-
Loss for the period attributable to owners of the parent company		(1,567)	(762)
Loss per ordinary share attributable to the owners of the parent during the period	5	\$	\$
Basic and diluted		(0.01)	(0.01)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2021

Period ended 30 June 2021	Period ended 31 December 2020
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	US\$'000	US\$'000
Loss for the period	(1,567)	(762)
Other comprehensive expense:		
Currency translation differences	(3)	-
Other comprehensive loss for the period	(3)	-
Total comprehensive loss for the period	(1,570)	(762)

**CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Notes	As at 30 June 2021 US\$'000	As at 31 December 2020 US\$'000
Assets			
Non-current assets			
Property, plant and equipment		32	11
Intangible assets	6	2,214	662
Total non-current assets		2,246	673
Current Assets			
Trade and other receivables		319	11
Cash and cash equivalents		39,691	3,684
Total current assets		40,010	3,695
Total assets		42,256	4,368
Equity attributable to owners of the parent			
Share capital		137	12
Share premium		43,380	4,996
Foreign currency reserves		(3)	-
Retained earnings		(2,290)	(762)
Total equity		41,224	4,246
Current liabilities			
Trade and other payables		1,032	122
Total liabilities		1,032	122
Total equity and liabilities		42,256	4,368

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2021**

	Share Capital	Share Premium	Foreign Currency Reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 15 July 2020	-	-	-	-	-
Comprehensive income					
Loss for the period	-	-	-	(762)	(762)
Other comprehensive income					
Currency translation differences	-	-	-	-	-
Total comprehensive expense	-	-	-	(762)	(762)
Transactions with owners					
Issue of ordinary shares	12	4,996	-	-	5,008
Total contributions by and distributions to owners	12	4,996	-	-	5,008
At 31 December 2020	12	4,996	-	(762)	4,246
Comprehensive income					
Loss for the period	-	-	-	(1,567)	(1,567)

Other comprehensive expenses				(1,567)	(1,567)
Currency translation differences	-	-	(3)	-	(3)
Total comprehensive expense	-	-	(3)	(1,567)	(1,570)
Transactions with owners					
Capital reconstruction	64	(64)	-	-	-
Share based payments	-	-	-	39	39
Issue of ordinary shares	61	38,448	-	-	38,509
Total contributions by and distributions to owners	125	38,384	-	39	38,548
At 30 June 2021	137	43,380	(3)	(2,290)	41,224

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE 2021

	Period ended 30 June 2021 US\$'000	Period ended to 31 December 2020 US\$'000
Cash flow from operating activities		
Loss before income tax	(1,567)	(762)
Adjustments for		
- Depreciation and amortisation	3	1
- Share-based payments	39	
- Foreign exchange	(3)	-
Changes in working capital		
- Trade and other receivables	(308)	(11)
- Trade and other payables	910	122
Net cash used in operating activities	(926)	(650)
Cash flow from investing activities		
Purchase of property, plant and equipment (PPE)	(24)	(12)
Internally generated intangible assets	(1,552)	(662)
Net cash used in investing activities	(1,576)	(674)
Cash flow from financing activities		
Net proceeds from issue of ordinary shares	38,509	5,008
Net cash used in financing activities	38,509	5,008
Net increase in cash and cash equivalents	36,007	3,684
Cash and cash equivalents at beginning of period	3,684	-
Cash and cash equivalents at end of period	39,691	3,684

NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS

1. General information and basis of presentation

Trellus Health plc is a public limited company incorporated in the United Kingdom (Registration Number 12743489). The address of the registered office is Avon House, 19 Stanwell Road, Penarth, CF64 2EZ.

The Company was incorporated as Trellus Health Limited on 15 July 2020 as a private company. On 12 May 2021, the company was registered as a public company and changed its name to Trellus Health plc.

The Group's principal activity is that of digital health.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the historical financial information of the Company, which have been applied consistently to the period presented, are set out below:

Basis of preparation

The financial information in these interim results is that of the holding company and all of its subsidiaries and are unaudited. It has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted for use in the United Kingdom, IFRS IC interpretations, and the Companies Act 2006 applicable to companies reporting under IFRS.

The presentation currency of the Group is United States Dollars ("USD" or "US\$") and this is the currency of the primary economic environment that the main business operates in.

The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the period ended 31 December 2020 and which will form the basis of the 2021 financial statements except for a number of new and amended standards which have become effective since the beginning of the previous financial year. These new and amended standards are not expected to materially affect the Group.

Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, amongst other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast.

The financial information presented herein does not constitute full statutory accounts under Section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respect of the period ended 31 December 2020 has been extracted from the Admission Document which was presented to shareholders on the fundraise and the admission of the Company at London Stock Exchange AIM market. The Group's Reporting accountant report on those accounts, for the purposes of the Admission Document, was a true and fair view of the state of affairs of the Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended.

These interim accounts have not been prepared in accordance with IAS 34, 'Interim financial reporting'. They have been prepared under AIM Rules of UK companies and have been authorised for issue by the Company's Board of directors on 22 September 2021.

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other

parties who hold voting rights

- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Going concern

At the date of this historical financial information, the Group has not generated any revenues. It has over \$39.7 million in cash for working capital requirements to cover the next 12 months.

The Board has considered the impact of the ongoing COVID-19 pandemic. There has been minimal impact on the Group to date. Given the impact of COVID-19 in the economy generally, the Board has performed a number of stress tests to assess the ability of the Group to continue as a going concern.

The Directors have prepared cash flow forecasts for the Group for a review period of 12 months from the date of approval of this historical financial information. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance.

The forecasts have been sensitised for additional costs which may be incurred in the review period. In the sensitised scenario, the forecasts indicate the Group would still have sufficient cash to continue as a going concern.

Having considered the points above, the Directors remain confident in the long-term future prospects for the Group, and their ability to continue as a going concern for the foreseeable future. They therefore adopt the going concern basis in preparing the historical financial information of the Group.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow

all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Foreign currency translation

(a) Functional and presentation currency

Items included in the historical financial information of the Group are measured using USD, the currency of the primary economic environment in which the main trading entity operates.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies to USD, are recognised in the income statement.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets arising from the development of software solutions are recognised only if all of the following conditions are met:

- It is probable that the asset will generate future economic benefits;
- The costs can be measured reliably;
- The technical feasibility of completing the intangible asset can be demonstrated;
- There is the intention to complete the asset and use or sell it; and
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available.

Research costs incurred that do not meet the above conditions are expensed within cost of sales in the income statement.

Intangible assets are stated at costs less provision for amortisation and impairment. Intangible assets relating to products in development are subject to impairment testing annually. The Group's intangible assets have not yet been brought into use and therefore no amortisation has been recognised to date. The Group expects the amortisation to start from next year.

The Group amortises intangible assets with a limited useful life on a straight-line basis. The

following rates are applied:

- Development costs - over useful life of four years.

Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses. Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a reducing balance basis. The following rates are applied:

- Computer equipment - 25 per cent. reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

As at the reporting date, the Group did not have any financial assets subsequently measured at fair value.

(b) Financial liabilities

All financial liabilities are initially measured at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. They are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

(c) Cash and cash equivalent

Cash and cash equivalents comprise cash balances and deposits.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Financing expenses

Financing expenses comprise interest payable classified as liabilities. Foreign exchange gains and losses are reported within administrative expenses in the statement of comprehensive income.

Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Operating segments

The directors are of the opinion that the business of the Group comprises a single activity, that of the providing digital health solution. Consequently, all activities relate to this segment.

All the non-current assets of the Group are located in, or primarily relate

to, the USA.

Standards issued but not yet effective:

There were no standards and interpretations relevant to the Group which were in issue but are not yet effective and which have not been applied in the historical financial information expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Employee benefits

(a) Pension obligations

Group companies operate various pension schemes all of which are defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity with the pension cost charged to the income statement as incurred. The Group has no further obligations once the contributions have been paid.

The Group has no defined benefit schemes.

(b) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees and others as consideration for equity instruments of the Group. Equity-settled share-based payments are measured at fair value at the date of grant and are expensed over the vesting period based on the number of instruments that are expected to vest. For plans where vesting conditions are based on share

price targets, the fair value at the date of grant reflects these conditions. Where applicable the Group recognises the impact of revisions to original estimates in the income statement, with a corresponding adjustment to equity for equity-settled schemes. Fair values are measured using appropriate valuation models, taking into account the terms and conditions of the awards.

When the share-based payment awards are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The Group operates a cash-settled compensation plan for certain senior employees. Cash-settled share-based payments are measured at fair value at the date of grant and are expensed over the expected vesting period. The fair value amount is recognised in liabilities.

National insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved share-based payment compensation schemes, provision for any National Insurance Contributions has been based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

Exceptional items

Items considered of such significance to enable the reader to better understand the results for the period presented as separately disclosed as exceptional items on the face of the statement of comprehensive income.

3. Income tax

	Period ended 30 June 2021 US\$'000	Period ended 31 December 2020 US\$'000
Current tax	-	-
Deferred tax	-	-
Current tax charge for the period	-	-

The Group has incurred indefinitely available tax losses of approximately US\$2m (2020 - US\$0.7m) to carry forward against future taxable income. No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams. Such losses may be carried forward indefinitely.

4. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary share, being share options. Currently the share options are anti-dilutive.

Period ended 30 June 2021	Period ended 31 December 2020
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	US\$'000	US\$'000
Loss attributable to owners of the parent	(1,567)	(762)
	Number	Number
Weighted average number of ordinary shares in issue	105,115,884	84,035,503
	US\$	US\$
Basic loss per share	0.01	0.01

6. Intangible Fixed Assets

	Software Development costs US\$'000	Licence costs US\$'000	Total US\$'000
Cost			
On incorporation	-	-	-
Additions	662	-	662
At 31 December 2020	662	-	662
Additions	1,052	500	1,552
At 30 June 2021	1,714	500	2,214
Amortisation			
On incorporation	-	-	-
Charge for the period	-	-	-
At 31 December 2020	-	-	-
Charge for the period	-	-	-
At 30 June 2021	-	-	-

Net book value			
30 June 2021	1,714	500	2,214
31 December 2020	662	-	662

7. Dividends

No dividends to shareholders of the holding company were provided or paid during the six months to 30 June 2021 (31 December 2020: £nil).

8. Availability of this announcement

This announcement is available from the Company's website, <https://trellushealth.com/>. If you would like to receive a hard copy of the interim report, please contact the Trellus Health plc's investor relation team on +44 (0) 20 7933 8780.

9. Events after the reporting date

There have been no events subsequent to the period end that require disclosure in these financial statements.

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