NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

Letter from the Chairman

Dear Shareholders,

On behalf of the Board, it is a pleasure to present Nutritional Growth Solutions Annual report for the period ended 31 December 2023.

Over the past year, with a focus on the US market we have achieved significant milestones solidifying the focus for the company and providing for a promising future.

With ongoing and growing sales through Walmart brick and mortar stores, we have seen the benefits of a diversified revenue stream and when combined with our strong online sales, a glimpse of what the future holds for the company and its brands.

We remain strongly focused on the US market as we look forward to future expansion into different retail channels and other international markets.

Following the appointment of Steve Turner as CEO last year, he has been focused on driving cost saving measures, while maintaining sales in the US market. Due to these ongoing efforts, the Company has seen significant reduction in operating expenses and continues to move closer to break-even in 2024.

With a strong foundation and a well-defined strategy going forwards, the Board believes that we have the ability to create significant shareholder value over the coming year.

On behalf of the Board, I would like to thank shareholders for their ongoing support to date. With the aim of improving nutrition and growth for children globally and a strong foundation build, we look forward to an exciting year in 2023 and beyond.

David Fenlon

Non-Executive Chairman

Letter from the CEO

2023 has been a critical year operationally for Nutritional Growth Solutions, and in executing our strategy to focus on the US market, we achieved several critical milestones that continue to provide a strong foundation for NGS' North American growth.

Over this last year, we have seen consistent improvement and performance in sales related to our US operations. Sales continued to improve in 2023, contributing 99% of our total revenues, compared to only 93% in 2022. US revenues increased 8% to $2.96 million for 2023, compared to $2.73 million in 2022. The modest increase in sales is important considering the significant reduction we made in operating costs and other cost saving measures for NGS.

Gross margins for 2023 dropped due to short term increases in shipping costs, raw material fluctuations and a one-time inventory adjustment made related to past attempts in building export market sales into China. We have already seen significant improvements in raw material prices and shipping costs, leading to improved gross margins in current and future periods.

Operational efficiency continued to improve for 2023, without impacting our total topline revenues. Cash used in operations was $2.3 million in 2023, compared to $4.8 million in 2022, showing a $2.5 million dollar improvement related to cost saving measures and reduction in carried inventory and finished goods. Continued improvements will be seen in future periods as we seek to further optimize our manufacturing lead times and reduce the amount of inventory needed to cover growth and expansion in sales. We will continue to focus on our core market in the US and optimize our portfolio to ensure profitability is aligned with our growth plans.

Following our initial placement of KidzProtein® with Walmart, in May we renewed our sales activities for the next 12 months with a store increase to 465 total doors nationwide. In addition, we were awarded new business with Walmart in another department and saw our Happy Tummies™ digestive supplement get placed in over 850 stores nationwide. We will continue to support these items with our marketing and advertising efforts driving growth and future store expansion with Walmart.

Looking forward in 2024, we will continue to execute on our retail expansion and North American growth strategy. We have had multiple advanced stage meetings with other retailers and expect to see significant increases in store expansion, points of distribution and total number of stores that stock our products.

With a robust marketing strategy and capable US team to support growth, during 2024 we'll continue to utilize digital media to drive greater sales and awareness, in support of our physical and online sales of our products in North America and globally. I would like to take this opportunity to thank our shareholders, Board and the entire Nutritional Growth Solutions team for their support and dedication to date, and we look forward to achieving further success in 2024.

Stephen Turner

Chief Executive Officer

NUTRITIONAL GROWTH SOLUTIONS LTD.

TABLE OF CONTENTS

Independent Auditors' Statement to Shareholders of NUTRITIONAL GROWTH SOLUTIONS LTD.

Opinion

We have audited the accompanying consolidated financial statement of Nutritional Growth Solutions Ltd. (the "Company"), which comprise the statements of financial position as of December 31, 2023, the related statements of comprehensive income, changes in equity (deficit) and cash flows for the year ended December 31, 2023, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023, its financial performance and its cash flows for the year ended December 31, 2023 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audits of the financial statements in Israel, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audits evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1C in the consolidated financial statements, which indicated that the Company incurred a net loss of USD 2,893 thousand during the year ended December 31, 2023, and generated USD 16,116 thousand of accumulated deficit since inception and up until December 31 ,2023. As stated in Note 1C, these events and conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters. In addition to the matter described in the *Material Uncertainty*

Related to Going Concern section, we have determined that there are no more key audit matters to be communicated in our report.

Other information

The directors and management of the Company are responsible for the other information. The other information comprises the information contained in the directors' report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and directors for the Consolidated Financial Statements

The directors and the management of the Company are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as management and the directors determine 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, the management and the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the Audits 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audits 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 the audits in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audits.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audits procedures responsive to those risks, and obtain audits 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 audits in order to design audits procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 audits evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 audits evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.

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

Lior Shahar
Partner
Tel-Aviv, Israel
March 27, 2024

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Certified Public Accountants (Isr.)
BDO Member Firm

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(US Dollar in thousands)

	Note	December 31, 2023	December 31, 2022
ASSETS			
Current assets:			
Cash and cash equivalents		172	1,521
Trade receivables		15	82
Other accounts receivable	4	21	66
Inventories	6	681	1,277
Total current assets		889	2,946
Non-current assets:			
Intangible assets, net	5	20	40
Right of use asset	8	22	35
Property, plant and equipment, net		5	8
Total non-current assets		47	83
TOTAL ASSETS		936	3,029

The accompanying notes are an integral part of the consolidated financial statements.

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(US Dollar in thousands)

	Note	December 31, 2023	December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Trade account payables		252	243
Lease liability	8	11	37
Derivative financial liability	10	77	138
Short term loans	9	340	-
Other account payables	7	422	536
Total current liabilities		1,102	954
Non-current liabilities:			
Long term lease liability	8	11	-
Shareholders' equity (deficit):	10		
Share capital and premium		15,939	15,298
Accumulated deficit		(16,116)	(13,223)
Total shareholders' equity (deficit)		(177)	2,075
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		936	3,029

Stephen Turner Chief Executive Officer	David Fenlon Chairman	Rob Valerio Chief Financial Officer	March 28, 2024 Date of approval of financial statements

The accompanying notes are an integral part of the consolidated financial statements.

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US Dollar in thousands except earnings per share)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	11	2,984	2,947
Cost of revenue		2,142	1,509
Gross profit		842	1,438
Research and development expenses	12	293	386
General and administrative expenses	13	1,374	1,636
Selling and marketing expenses	14	2,246	3,760
Operating loss		3,071	4,344
Financial expense		71	18
Financial income		249	113
Total comprehensive loss for the year		2,893	4,249
Basic and diluted loss per share	10	$ (0.01)	$ (0.03)

The accompanying notes are an integral part of the consolidated financial statements.

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

(US Dollar in thousands)

	Share capital and premium	Accumulated deficit	Total
Balance at January 1, 2022	12,849	(8,974)	3,875
Changes during the year:			
Total comprehensive loss	-	(4,249)	(4,249)
Issuance of shares, net	2,147	-	2,147
Share based payment	302	-	302
Balance at December 31, 2022	15,298	(13,223)	2,075
Changes during the year:			
Total comprehensive loss	-	(2,893)	(2,893)
Issuance of shares, net	591	-	591
Share based payment	50	-	50
Balance at December 31, 2023	15,939	(16,116)	(177)

The accompanying notes are an integral part of the consolidated financial statements.

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(US Dollar in thousands)

	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(2,893)	(4,249)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	39	41
Interest paid	2	-
Amortization of intangible assets	20	20
Decrease (increase) in trade receivables, net	67	(47)
Decrease in other accounts receivable	45	38
Decrease (increase) in inventories	596	(962)
Increase in trade accounts payables	9	30
Increase (decrease) in other accounts payables	(114)	84
Share-based payment	50	302
Change in fair value of derivative-warrants	(195)	(86)
Financial expenses, net	27	-
Net cash used in operating activities	(2,347)	(4,829)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(4)
Payment of deposit	-	8
Net cash provided by investing activities	-	4
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on lease liabilities	(38)	(36)
Receipts of loan, net	340	-
Issuance of shares and warrants, net	696	2,244
Net cash provided by financing activities	998	2,208
Net decrease in cash and cash equivalents	(1,349)	(2,621)
Cash and cash equivalents at the beginning of the year	1,521	4,142
Cash and cash equivalents at the end of the year	172	1,521

The accompanying notes are an integral part of the consolidated financial statements.

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(US Dollar in thousands)

	Year ended December 31, 2023	Year ended December 31, 2022
APPENDIX A - AMOUNT PAID DURING THE YEAR FOR:		
Interest paid	2	6

	Year ended December 31, 2023	Year ended December 31, 2022
APPENDIX B – NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Recognition of right of use assets and lease liabilities	23	-

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1 - GENERAL:

A. Nutritional Growth Solutions Ltd. (the "Company") was incorporated on November 24, 2013 in Israel and commenced its operations on May 1, 2014. The Company has a wholly - owned subsidiary in the United States, NG Solutions INC., which was incorporated in August 2017. The Company's address is Hanechoshet 3, Tel Aviv-Yafo.The Company and its subsidiary (together, the "Group") develops, produces and sells clinically tested protein supplements for children by commercializing the intellectual property generated by years of medical research into pediatric nutrition.

B. The Company was admitted to the official list of the ASX on October 30, 2020 through an initial public offering ("IPO") with its ordinary fully paid shares having commenced trading on October 30, 2020. The Company raised gross amount of AUD 7 million (approximately 5,005) pursuant to the offer by the issuance of 35,000,000 shares at a share price of AUD 0.20 per share.

The Group incurred a net loss of USD 2,893 thousand for the year ended December 31, 2023, and generated USD 16,116 thousand of accumulated deficit since inception and up until December 31 ,2023. These events and conditions, indicate that a material uncertainty exists that may cast substantial doubt on the Group's ability to continue as a going concern. In order to overcome the uncertainty, the Company targeting its efforts in raising additional funds, increasing its revenue and implements cost reduction initiative. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB"). The financial statements have been prepared under the historical cost convention, except for the embedded derivative. The Company has elected to present the consolidated statements of comprehensive income using the function of expense method. In addition, these consolidated financial statements are presented in US Dollars. All currency amounts have been recorded to the nearest thousand, unless otherwise indicated.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

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 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.

The consolidated financial statements of the Company include the accounts of the Company and its subsidiary as if they formed a single entity. Intercompany transactions and balances between the two entities were eliminated in full.

Use of estimates and assumptions in the preparation of the financial statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates. See also Note 3.

Foreign currency

The financial information of the Group is presented in US Dollars which is the Company's functional currency which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company. Transactions and balances in foreign currencies are converted into US Dollars in accordance with the principles set forth by IAS 21 (“The Effects of Changes in Foreign Exchange Rates”). Accordingly, transactions and balances have been converted as follows:

- Monetary assets and liabilities – at the rate of exchange applicable at the consolidated statements of financial position date.
- Income and expense items – at exchange rates applicable as of the date of recognition of those items.
- Non-monetary items are converted at the rate of exchange used to convert the related statement of financial position items i.e. at the time of the transaction.

Exchange gains and losses from the aforementioned conversion are recognized in profit or loss.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Fair value measurement

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability; or

B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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.

Classification by fair value hierarchy

Assets and liabilities presented in the consolidated statements of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

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 either directly or indirectly.

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Financial instruments

1. Financial Assets

   The Group classifies its financial assets into the following category, based on the business model for managing the financial asset and its contractual cash flow characteristics. The Group's accounting policy for the relevant category is as follows:

   Amortized cost: These assets arise principally from the selling products to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

   They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment and trade receivables are initially recognized at their transaction price. Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized in the consolidated Statements of comprehensive income. On assessment that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2. Financial Liabilities

   The Group classifies its financial liabilities based on the purpose for which the liability was acquired. The Group's accounting policy is as follows:

   Amortized cost: Trade payables, certain other accounts payable and liability for royalties payable are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method

   Fair value through profit or loss: this category comprises of convertible loan and financial derivatives which was designated upon initial recognition according to IFRS 9. Changes in fair value recognized in the consolidated statement of comprehensive income except for changes derived from credit risk in respect of financial liabilities designated at fair value which are recognized in other comprehensive income.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Share based payment

The Group has a share based remuneration scheme for employees. The fair value of share options and performance shares was estimated by using a Black and Scholes model. The model was designed to take into account the unique terms and conditions of the performance shares and share options, as well as the capital structure of the Group and the volatility of its share prices, on the date of grant based on certain assumptions.
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 recognized 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 . Other conditions are described in Note 11 and include, among others. The fair value of the equity settled options granted is charged to statement of comprehensive income over the vesting period of each tranche and the credit is recognized in equity, based on the Group's estimate of shares and options that will eventually vest.

Current income 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.
The Company has incurred losses, and no current income taxes or tax liability are recorded.

Inventories

Inventories are recognized at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The Group measures cost of raw materials on First In First Out ("FIFO") basis and finished goods according to costs based on direct costs of materials and labor.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Issuance costs

The Group allocated the incremental costs that were directly attributable to issuing new shares to equity (net of any income tax benefit) and the costs that were related to the stock market listing or are otherwise not incremental and directly attributable to issuing new shares, were recognized as an expense in the statement of comprehensive income. Costs that were related to both share issuance and listing were allocated between those functions based on the number of shares.

Research and development costs

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditures is recognized as an intangible asset when the Group can demonstrate:

- The product is technically and commercially feasible.
- The Group intends to complete the product so that it will be available for use or sale.
- The Group has the ability to use or sell the product.
- The Group has the technical, financial and other resources to complete the development and to use or sell the product.
- Use or sale of the product will generate future economic benefits.
- The Group is able to measure reliably the expenditure attributable to the product during the development.
  During the years ended December 31, 2023 and 2022, expenses were not capitalized, as they do not meet the criteria set forth in IAS 38.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

New standards, interpretations and amendments adopted from January 1, 2023

The following amendments are effective for the period beginning January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates ,unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. These amendments had no effect on the consolidated financial statements of the Group.

New standards, interpretations and amendments not yet effective

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

New standards, interpretations and amendments adopted from January 1, 2023 (Cont.)

The following amendments are effective for the period beginning January 1, 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

The following amendments are effective for the period beginning January 1, 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The Group is currently assessing the impact of these new accounting standards and amendments.

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

(US Dollar in thousands)

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES:

Share based payment

The Group has a share-based remuneration scheme for employees and suppliers. In 2023 and 2022 the fair value of the share and options were estimated by using the Black and Scholes model, which was aimed to model the value of the Company's assets over time. In 2023 and 2022 the fair value of share options was estimated by using a black and Scholes model, which was aimed to model the value of the Group's equity over time. The simulation approach was designed to take into account the unique terms and conditions of the performance shares and share options, as well as the capital structure of the Company and the volatility of its assets, on the date of grant based on certain assumptions. Those conditions are described in Note 10B and include, among others, expected volatility, the dividend growth rate and expected term. The fair value of the equity settled options granted is charged to statement of comprehensive income over the vesting period of each tranche and the credit is recognized in equity, based on the Group's estimate of shares that will eventually vest.

NOTE 4 - OTHER ACCOUNTS RECIVABLE:

	December 31, 2023	December 31, 2022
Prepaid expenses	18	60
Deposit	1	4
Government institutions	1	-
Others	1	2
Total	21	66

(US Dollar in thousands)

NOTE 5 - INTANGIBLE ASSETS:

On December 17, 2020 the Group signed a purchase agreement with Ausmerica Wellness Services LLC to acquire the Kidzshake brand (the "Kidzshake") associated assets. In order to estimate the fair value of the purchased assets the Group used the expertise of an external valuator.

For the year ended December 31, 2023:

	Customer's relation	Brand	Total
Cost:			
As of January 1, 2023	58	22	80
Additions	-	-	-
As of December 31, 2023	58	22	80
Accumulated depreciation:			
As of January 1, 2023	(29)	(11)	(40)
Additions	(15)	(5)	(20)
As of December 31, 2023	(44)	(16)	(60)
Net book value:			
As of December 31, 2023	14	6	20

Customer's relation and Brand development costs are amortized on a straight-line basis over their estimated useful lives of four years.

For the year ended December 31, 2022:

	Customer's relation	Brand	Total
Cost:			
As of January 1, 2022	58	22	80
Additions	-	-	-
As of December 31, 2022	58	22	80
Accumulated depreciation:			
As of January 1, 2022	(14)	(6)	(20)
Additions	(15)	(5)	(20)
As of December 31, 2022	(29)	(11)	(40)
Net book value:			
As of December 31, 2022	29	11	40

(US Dollar in thousands)

NOTE 6 - INVENTORIES:

	December 31, 2023	December 31, 2022
Finished goods	567	1,068
Raw materials	114	209
Total	681	1,277

NOTE 7 - OTHER ACCOUNTS PAYABLE:

	December 31, 2023	December 31, 2022
Accrued expenses	281	214
Liability to royalties payable	122	125
Credit cards	12	80
Employees, salaries and related liabilities	7	116
Others	-	1
Total	422	536

NOTE 8 - LEASES:

- On August 27, 2021, the Group' US subsidiary has signed an office lease agreement, for a period of 26 months commencing October 1, 2021 for its day to day office needs and onsite work. The interest rate applied was 11% per annum.

  The Company leases its offices under short term lease agreements and applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months and do not contain a purchase option. Total lease expenses in 2023 and 2022 were 35 and 44, respectively.
- On October 18, 2023, the Group' US subsidiary has signed an office lease agreement, for a period of 24 months commencing December 1, 2023 for its day to day office needs and onsite work. The interest rate applied was 6% per annum.

  The Company leases its offices under short term lease agreements and applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months and do not contain a purchase option. Total lease expenses in 2023 were 1.

(US Dollar in thousands)

NOTE 8 - LEASES (CONT.):

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period.

	Office facilities
At January 1, 2023	35
Additions	23
Depreciation expense	(36)
As at December 31, 2023	22
At January 1, 2022	73
Depreciation expense	(38)
As at December 31, 2022	35

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023
At January 1, 2023	37
Additions	23
Accretion of interest	2
Interest payment	(2)
Principal payment	(38)
As at December 31, 2023	22

	2022
At January 1, 2022	73
Accretion of interest	6
Interest payment	(6)
Principal payment	(36)
As at December 31, 2022	37

The following are the amounts recognized in profit or loss:

	2023	2022
Depreciation expense of right-of-use assets	36	38
Interest expense on lease liabilities	2	6
Total amount recognized in profit or loss	38	44

The Company doesn’t have extension option for the leasing.

(US Dollar in thousands)

NOTE 9 - SHORT TERM LOANS:

In September 2023, the Company has entered into 2 short-term loan agreements with financial institutions to support its operational and working capital requirements. These loans are classified as short-term liabilities on the statements of financial position, as their maturity dates are within the next twelve months from the reporting date.

The main terms of the loans:

1. Loan for the principal amount of $282 thousand bears an average interest rate of 10.99% per annum. First three-month interest only and then nine equal monthly payments (principal and interest). $91 thousand were used to pay off a previous loan.
2. Loan for the principal amount of $84 thousand, to be repaid in daily repayments over 10 months, bears an average interest rate of 15.71% per annum. Repayments method: a 17% of the Company's daily specific sales amount on its website is remitted to the lender until the lender has received the full agreed amount. $18 thousand were used to pay off a previous loan.

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Short-term finance
As of January 1, 2023	-
Changes from financing cash flows:	
loan acceptance	652
Repayment of loan	(312)
As of December 31, 2023	340

NOTE 10 - SHAREHOLDERS' EQUITY (DEFICIT):

A. Share capital:

<u>Listing on the ASX</u>:

1. On August 2022, the Company raised AUD 3.48 million (approximately gross 2,385) before costs via a share Placement (the "Placement") to new investors as well as existing shareholders. Under the Placement the Company issued 29,232,835 new ordinary shares plus 14,499,985 stock options. Issuance expenses amounted to 143. The stock options are vested upon issuance and exercisable till November 2023 at a price per option of AUD 0.27 commencing issuance date and will expire upon the elapse of the term. As part of the Placement, the Company issued to the lead broker 5,480,000 stock options with terms identical to the terms of the shareholders' stock options. The stock options have been admitted to the official list of the ASX on November 21, 2022. The fair value of share options was determined according to the market price of the same traded option (**NGSO**). The option market price as of issue date is 0.01 USD per option.
   In November 2023 the options expired.

2. On May 09, 2023, the Company announced that it had completed a placement to sophisticated and institutional investors for the issue of 100,000,000 fully paid ordinary shares at an issue price of AUD 0.012 per share raising AUD 1.2 million (before issuance costs) plus 80,000,000 stock options. To be executed in two tranches:

- In the first tranche (**First Tranche)**, in May 2023, the Company issued 20,000,000 ordinary shares representing AUD 240,000 (approximately USD 158 thousand before issuance cost). The issuance costs amounted to USD 23 thousand in cash.
- In August 2023 (**Second Tranche)**, the Company completed the Second Tranche upon which the Company raised gross AUD 960 thousand (approximately USD 614 thousand before issuance cost). Under the Second Tranche the Company issued 80,000,000 ordinary shares plus 50,000,000 stock options. So that at the end of First Tranche and the Second Tranche each new shareholder received 2 ordinary shares plus 1 stock option against AUD 0.012. The stock options are vested upon issuance and exercisable at AUD 0.02 per share over 3 years commencing issuance date (the "term") and will expire upon the elapse of the term.
  As part of the Placement, the Company issued to the lead broker 30,000,000 stock options with terms identical to the terms of the shareholders' stock options. The issuance costs amounted to USD 50 thousand in cash.

(US Dollar in thousands)

NOTE 10 - SHAREHOLDERS' EQUITY (DEFICIT) (CONT.):

A. Share capital (cont.):

Reconciliation of liabilities arising from financial activities:

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Derivative liability
As of January 1, 2023	**138**
Issuance of warrants (financial derivative) as part of package	134
Expired of warrants	(138)
Decrease in fair value of financial derivative	(57)
As of December 31, 2023	**77**

	Derivative liability
As of January 1, 2022	**127**
Issuance of warrants (financial derivative) as part of package	97
Decrease in fair value of financial derivative	(86)
As of December 31, 2022	**138**

Movement in number of shares	**Number of shares**
Opening balance as at January 1, 2023	**148,307,452**
Issuance of shares	100,200,000
Closing balance at December 31, 2023	**248,507,452**

Movement in number of shares	**Number of shares**
Opening balance as at January 1, 2022	**118,074,617**
Issuance of shares as a result of exercise of Performance Rights	1,000,000
Issuance of shares	29,232,835
Closing balance at December 31, 2022	**148,307,452**

(US Dollar in thousands)

NOTE 10 - SHAREHOLDERS' EQUITY (DEFICIT) (CONT.):

A. Share capital (cont.):

	Number of ordinary shares as of December 31, 2023	
	Authorized	**Issued and outstanding**
Ordinary shares of NIS 0.01 par value	500,000,000	248,507,452

	Number of ordinary shares as of December 31, 2022	
	Authorized	**Issued and outstanding**
Ordinary shares of NIS 0.01 par value	500,000,000	148,307,452

B. Share based payment:

1. On March 1, 2022 the Group granted to the Chairman of the Board of Directors 5,000,000 options exercisable into 5,000,000 ordinary shares of the Company, NIS 0.01 par value each. The options are exercisable at a price of AUD 0.27 per share, 1,000,000 options vested at date of grant and 4,000,000 options will vest equally each year over a period of 2 years commencing February 28, 2022. Contractual life of the options is 5 years. The option value as of grant date is USD 0.037 per option. The fair value of share options was estimated at $184 by using a Black and Scholes model approach, which was aimed to model the value of the Company's assets over time.

   The simulation approach was designed to take into account the terms and conditions of the share options, as well as the capital structure of the Group and the volatility of its assets, on the date of grant based on certain assumptions. Those conditions are, among others:

   – The expected volatility is 60%.
   – The dividend growth rate 0%.
   – Expected term - 5 years.

2. On March 30, 2022 the Group granted to three employees 600,000 options exercisable into 600,000 ordinary shares of the Company, NIS 0.01 par value each. The options are exercisable at a price of AUD 0.17 per share and will vest equally each quarter over a period of 3 years commencing on the Vesting Commencement Date (Usually the commencement date of the employee) with a 1-year cliff from the Vesting Commencement Date with a 1-year cliff from the Vesting Commencement Date. Contractual life of the options is 10 years. The option value as of grant date is USD 0.073 per option. The fair value of

NOTE 10 - SHAREHOLDERS' EQUITY (DEFICIT) (CONT.):

B. Share based payment (cont.):

share options was estimated at $44 by using a Black and Scholes model approach, which was aimed to model the value of the Company's assets over time.

The simulation approach was designed to take into account the terms and conditions of the share options, as well as the capital structure of the Group and the volatility of its assets, on the date of grant based on certain assumptions. Those conditions are, among others:

– The expected volatility is 60%.
– The dividend growth rate 0%.
– Expected term - 10 years.

3. On August 30, 2022 the Group granted to two employees 750,000 options exercisable into 750,000 ordinary shares of the Company, NIS 0.01 par value each. The options are exercisable at a price of AUD 0.12 per share and will vest equally each quarter over a period of 3 years commencing July 1, 2022 with a 1-year cliff. Contractual life of the options is 10 years. The option value as of grant date is USD 0.073 per option. The fair value of share options was estimated at $35 by using a Black and Scholes model approach, which was aimed to model the value of the Company's assets over time.

   The simulation approach was designed to take into account the terms and conditions of the share options, as well as the capital structure of the Group and the volatility of its assets, on the date of grant based on certain assumptions. Those conditions are, among others:

   – The expected volatility is 60%.
   – The dividend growth rate 0%.
   – Expected term - 10 years.

4. On December 14, 2022 the Group signed a service agreement with The Market Bull Pte Ltd, a leading multimedia news organization (the “Producer”) whereby the Producer will provide investor relations and media coverage to the Group for a period of six (6) months commencing December 2022. Under the Agreement, the Producer is entitled to issuance of 200,000 ordinary shares which will be issued to the Producer after the elapse of four (4) months commencing December 13, 2022 (provided the Agreement was not terminated earlier nor the Producer breached the Agreement). The Producer is also entitled to fixed cash compensation. In August 2023 the group issued 200,000 ordinary shares to the advisor.

(US Dollar in thousands)

NOTE 10 - SHAREHOLDERS' EQUITY (DEFICIT) (CONT.):

B. Share based payment (cont.):

The options and performance rights to employees, officers and consultants outstanding as of December 31, 2023 and 2022 are comprised, as follows:

	Year ended December 31, 2023	
	Number of options	Weighted average Exercise price
Outstanding at beginning of year	17,235,716	$0.077
Expired	1,100,000	$0.061
Exercised	-	-
Granted	30,000,000	$0.003
Outstanding at end of year	46,135,716	$0.028
Exercisable options	44,150,338	$0.020

	Year ended December 31, 2022	
	Number of options	Weighted average Exercise price
Outstanding at beginning of year	12,469,052	$0.024
Expired	783,336	$0.146
Exercised	1,000,000	$0.001
Granted	6,550,000	$0.171
Outstanding at end of year	17,235,716	$0.077
Exercisable options	11,517,537	$0.032

C. Loss per share:

Loss per share has been calculated using the weighted average number of shares in issue during the relevant financial periods, the weighted average number of equity shares in issue and loss for the period as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Loss for the year	(2,893)	(4,249)
Weighted average number of ordinary shares	192,770,466	129,724,480
Basic and diluted loss per share	$ (0.01)	$ (0.03)

(US Dollar in thousands)

NOTE 11 - REVENUE:

Geographical analysis of revenue

	Year ended December 31,			
	2023		2022	
	%		%	
United States	99%	2,964	93%	2,727
Rest of the world	1%	20	7%	220
	100%	2,984	100%	2,947

NOTE 12 - RESEARCH AND DEVELOPMENT EXPENSES:

	Year ended December 31, 2023	Year ended December 31, 2022
Advisors fee	242	57
Payroll and related benefits	51	285
Share based payment	-	44
	293	386

NOTE 13 - GENERAL AND ADMINISTRATIVE EXPENSES:

	Year ended December 31, 2023	Year ended December 31, 2022
Professional fees	722	896
Salary and related expenses	562	481
Share based payment	60	201
Payments for short term lease	24	57
Depreciation	6	1
	1,374	1,636

NOTE 14 - SELLING AND MARKETING EXPENSES:

	Year ended December 31, 2023	Year ended December 31, 2022
Subcontractors	283	1,528
Advertising expenses	1,400	1,178
Salary and related expenses	488	868
Share based payment	(10)	57
Others	85	129
	2,246	3,760

NOTE 15 - TAXES ON INCOME:

1. General tax rate applicable to income in Israel:

Israeli corporate tax rates are 23% in 2023 and 2022. The Company in Israel has final tax assessments until 2016.

2. U.S. subsidiary:

The U.S. subsidiary incorporated in 2017 and is subject to local corporate tax in the United States. In 2023 the federal rate applies was 21% (2022 – 21%). As of December 31, 2023, the U.S. subsidiary has not received any final tax assessments with respect to previous years.

3. Tax reconciliation:

	Year ended December 31, 2023	Year ended December 31, 2022
Loss before taxation	(2,893)	(4,249)
Theoretical tax credit at applicable statutory 2022 & 2023: 23%	(665)	(977)
Effect of the different tax rate in the U.S.	(*)	(*)
Temporary differences and tax losses for which no deferred tax asset is recognized	687	912
Non-allowable expenses	(22)	65
Tax on income	-	-

(*) Amount under 1 US Dollar in thousands

NOTE 15 - TAXES ON INCOME (CONT.):

4. Net operating losses carry forwards:

As of December 31, 2023, the Company has estimated carry forward tax losses of approximately 16,343 which may be carried forward and offset against taxable income for an indefinite period in the future. The Company did not recognize deferred tax assets relating to carry forward losses in the financial statements because their utilization in the foreseeable future is not probable.

NOTE 16 - COMITMENTS AND CONTINGENT LIABILITIES:

Liability for royalties payable

The Group is committed to pay royalties to the Israeli government (Ministry of economy) on proceeds from the increase of product sales to the U.S. market and from January 2022, also to China. Under the terms of the Israeli government funding program, the Company will pay royalties of 3% of the increase in sales during a period of 5 years to the U.S. market commencing December 31, 2017 and to China commencing December 31, 2021. Royalties' payment shall not exceed 100% of the grant received, as of December 31, 2022 the total grant amount received for the program related to the US market is 125 and the total grant amount received for the program related to China is 153. As of December 31, 2022 the Group estimates that, under the terms of the Israeli government program, its future increase in sales to China will not meet the threshold terms required to pay royalties and therefore all the grant received for the China program has been deducted from selling and marketing expenses.

NOTE 17 - RELATED PARTIES:

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(US Dollar in thousands)

NOTE 17 - RELATED PARTIES (CONT.):

Related party transactions

	Year ended December 31, 2023	Year ended December 31, 2022
Subcontractors and consulting expenses (research and development, general and administrative)	295	152
Payroll and related benefits including management fees	626	549
Share based payment	60	242
Revenue received from related party	21	21

Payables to related parties

Name	Nature of transaction	December 31, 2023	December 31, 2022
Related party	Management fees	112	14
Related party	Payroll and related benefits	5	93

Receivables from related parties

Name	Nature of transaction	December 31, 2023	December 31, 2022
Related party	Revenues from related party	7	6

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT:

The Group is exposed to a variety of financial risks, which results from its financing, operating and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's financial performance and position. The Group's financial instruments are its cash and other receivables, payables, other payables and liability for royalties. The carrying value of cash and cash equivalents, trade receivables, net and other current assets, and trade payables and other accounts payables and accrued expenses approximate their fair value due to the short-term nature of these instruments. The main purpose of these financial instruments is to raise finance for the Group's operation. The

(US Dollar in thousands)

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from the Group's financial instruments are mainly credit risk and currency risk. The risk management policies employed by the Company to manage these risks are discussed below.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the financial statements date. The Group closely monitors the activities of its counterparties which enables it to ensure the prompt collection of customer's balances. The Group's main financial assets are cash and cash equivalents as well as other receivables and represent the Company's maximum exposure to credit risk in connection with its financial assets. Wherever possible and commercially practical the Group holds cash with major financial institutions in Israel and United states.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	172	1,521
Trade account receivable	15	82
Other account receivable	21	4
Total	208	1,607

Currency risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group exposed to foreign exchange risk arising from currency exposure primarily with respect to the Euro and New Israeli Shekel ("NIS"). The Group's policy is not to enter into any currency hedging transactions.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Currency risk (cont):

Assets	**December 31, 2023**				
	AUD	**Euro**	**NZD**	**NIS**	**TOTAL**
Cash and cash equivalents	8	2	-	1	11
Trade accounts receivable	-	-	-	7	7
Other accounts receivable	-	-	-	19	19
	8	2	-	27	37
Liabilities					
	AUD	**Euro**	**NZD**	**NIS**	**TOTAL**
Trade accounts payable	33	-	155	*	188
Other accounts payable	77	-	-	114	191
Liability for royalties payable	-	-	-	122	122
	110	-	155	236	501
Net	**(102)**	**2**	**(155)**	**(209)**	**(464)**

Assets	**December 31, 2022**			
	AUD	**Euro**	**NIS**	**TOTAL**
Cash and cash equivalents	313	1	105	419
Trade accounts receivable	-	-	6	6
Other accounts receivable	50	-	4	54
	363	1	115	479
Liabilities				
	AUD	**Euro**	**NIS**	**TOTAL**
Trade accounts payable	90	5	25	120
Other accounts payable	138	-	147	285
Liability for royalties payable	-	-	125	125
	228	5	297	530
Net	**135**	**(4)**	**(182)**	**(51)**

(*) Amount under 1 US Dollar in thousands

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Sensitivity analysis:

A 10% strengthening of the United States Dollar against the following currencies would have increased equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the United States Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Year ended December 31, 2023	Year ended December 31, 2022
NIS	(21)	(18)
NZD	(15)	-
AUD	(10)	14
EURO	*	*
	(46)	(4)

(*) Amount under 1 US Dollar in thousands

Liquidity risks:

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of loss. The Group has procedures with the object of minimizing such loss by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. Accordingly, the Group has a positive working capital.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

(US Dollar in thousands)

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Liquidity risks (cont):

At December 31, 2023	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 year
Trade accounts payable	252	-	-
Other accounts payable	298	-	-
Liability for royalties payable	-	122	-
Lease liability	3	8	11
Total	553	130	11

At December 31, 2022	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 year
Trade accounts payable	243	-	-
Other accounts payable	410	-	-
Liability for royalties payable	-	125	-
Lease liability	-	37	-
Total	**653**	**162**	**-**

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Fair value of financial liabilities

Items carried at fair value as of December 31, 2023 are classified in the table below:

	US$ In Thousands Fair value measurements using input type
	December 31, 2023
	Level 1
Financial derivative	(77)

	US$ In Thousands Fair value measurements using input type
	December 31, 2022
	Level 1
Financial derivative	(138)

NOTE 19 - SUBSEQUENT EVENTS:

On February 14, 2024, the Company raised AUD 400 thousand via convertible notes. Interest rate 12% per annum. The notes will automatically convert into ordinary shares with such number determined by dividing the Outstanding Amount by a 20% discount to the price per Share achieved at the next capital raise conducted by the Company. If the convertible notes have not been earlier converted, then the convertible notes will be convertible for cash on the earlier of:

• In the event of an insolvency event.

• On the date that is 3 years following the issue of the convertible notes.

Nutritional Growth Solutions Ltd ASX Additional Information

Additional Information Per ASX Listing Rules

1. Corporate Governance Statement

   1.1. The Company’s Corporate Governance Statement can be found at:

   https://ngsolutions.co

2. Shareholder and Option Holder Information

   2.1. Top 20 Holders of Ordinary Fully Paid Securities as at 15 March 2024

Rank	Holder Name	Holding	Issued
1	MOR RESEARCH APPLICATIONS LTD	12,604,790	5.02%
2	BNP PARIBAS NOMS PTY LTD <DRP>	12,275,027	4.89%
3	MR PAUL JAMES MADDEN	12,209,138	4.86%
4	BALMAIN RESOURCES PTY LTD	12,107,513	4.82%
5	APPWAM PTY LTD	9,899,534	3.94%
6	MS HADASSA BYMEL	8,098,652	3.22%
7	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	7,931,305	3.16%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,619,258	2.63%
9	ALLISSA BELLA	5,856,353	2.33%
10	CADEX PETROLEUM PTY LIMITED	5,639,000	2.24%
11	PROF PHILLIP MOSHE	5,028,720	2.00%
12	AKJ SUPER PTY LTD <JENKINS SUPER FUND A/C>	4,800,000	1.91%
13	MR NARINDER SINGH SUDAGAR SINGH <SIDHU A/C>	4,557,429	1.81%
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,524,263	1.80%
15	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	4,500,000	1.79%
16	PROF RAANAN SHAMIR	4,465,470	1.78%
17	PLOUGH LANE SUPERANNUATION PARTY LTD	3,858,767	1.54%
18	GCN INVESTMENTS PTY LTD <SEVEEN SUPERFUND A/C>	3,640,000	1.45%
19	MRS LILY MAH <MJ A/C>	3,562,129	1.42%
20	MRS HEATHER ROBIN WILLSON	3,250,000	1.29%
	Total	**135,227,348**	**53.91%**

   2.2. Top 20 Holders of Quoted Options as at 15 March 2024

Position	Holder Name	Holding	% IC
1	MS CHUNYAN NIU	8,325,000	10.41%
2	MOLO CAPITAL PTY LTD <JAMIE MYERS FAMILY A/C>	8,300,000	10.38%
3	MR PAUL JAMES MADDEN	7,500,000	9.38%
4	HARLUND INVESTMENTS PTY LTD <HART FAMILY SUPER FUND A/C>	5,731,667	7.16%
5	SOJUKA PTY LTD <THE SOJUKA FAMILY A/C>	3,600,000	4.50%
6	Alissa Bella	3,000,000	3.75%
7	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	2,741,667	3.43%

8	ANNA CARINA PTY LTD <ANNA CARINA FAMILY A/C>	2,500,000	3.13%
9	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	2,250,000	2.81%
10	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,008,333	2.51%
11	JET GLOBAL FUND PTY LTD	2,000,000	2.50%
11	AKJ SUPER PTY LTD <JENKINS SUPER FUND A/C>	2,000,000	2.50%
11	CANARY CAPITAL PTY LTD <TRADING A/C>	2,000,000	2.50%
12	MR ADRIAN ALEXANDER VENUTI <ADRIAN VENUTI FAMILY A/C>	1,750,000	2.19%
13	MRS HEATHER ROBIN WILLSON	1,625,000	2.03%
14	MR DOMENIC ANTONIO BARBARO	1,500,000	1.88%
14	WOLSELEY ROAD #1 PTY LIMITED <ADSALEUM FAMILY A/C>	1,500,000	1.88%
15	WYNNMAX PTY LTD <LA CASA AL MARE S/F A/C>	1,250,000	1.56%
16	MOUNTS BAY INVESTMENTS PTY LTD <CALVER CAPITAL A/C>	1,230,000	1.54%
17	NEW ENERGY MINERALS AFRICA PTY LTD	1,166,667	1.46%
18	MR MICHAEL MCMAHON & MRS SUSAN MCMAHON <THE MCMAHON SUPER FUND A/C>	1,000,000	1.25%
18	MR PHILIP MYERS & MRS HELEN MYERS	1,000,000	1.25%
18	SILKMAGIC PTY LIMITED <THE BAKER SUPER FUND A/C>	1,000,000	1.25%
18	TRANTER (SA) PTY LTD <TRANTER FAMILY A/C>	1,000,000	1.25%
18	WYNTON CAPITAL PTY LTD	1,000,000	1.25%
19	MR MATTHEW DEAN QUINN	875,000	1.09%
20	MR NARINDER SINGH SUDAGAR SINGH <SIDHU A/C>	750,000	0.94%
20	MR JAMIE ROBERT TIDY & MRS PETA MELISSA TIDY <KARMADOG INVESTMENT A/C>	750,000	0.94%
20	MR DOMENIC ANTONIO BARBARO <BARBARO FAMILY NO 2 A/C>	750,000	0.94%
20	MOSHE COHEN	750,000	0.94%
	Total	**70,853,334**	**88.57%**
	Total issued capital - selected security class(es)	**80,000,000**	**100.00%**

3. Substantial Holders

3.1. Substantial Holders of 5% or more of Fully Paid Securities as at 15 March 2024

MOR RESEARCH APPLICATIONS LTD	12,604,790	5.02%

4. Numbers of Holders of Each Class of Equity Securities as at 15 March 2024

Security Name	Total Holders	Total Holdings
ORDINARY FULLY PAID SHARES	712	251,227,397
UNQUOTED OPTIONS	26	26,604,169
QUOTED OPTIONS	66	80,000,000

5. Voting Rights Attached to Each Class of Equity Securities

ORDINARY FULLY PAID SECURITIES	ONE VOTE FOR EACH SHARE
QUOTED AND UNQUOTED OPTIONS	NO VOTING RIGHTS ATTACHED

6. Distribution Schedule for Each Type of Equity Security as at 15 March 2024

6.1. Ordinary Fully Paid Securities

Holding Ranges	Holders	Units	% Issued
ABOVE 5,000 UP TO AND INCLUDING 10,000	74	608,504	0.24%
ABOVE 10,000 UP TO AND INCLUDING 100,000	276	11,983,110	4.77%
ABOVE 100,000	217	238,251,565	94.84%
Total	**712**	**251,227,397**	**100.00%**

6.2. Unquoted Options

Holding Ranges	Holders	Units	% Issued
ABOVE 0 UP TO AND INCLUDING 1,000	-	-	-
ABOVE 1,000 UP TO AND INCLUDING 5,000	-	-	-
ABOVE 5,000 UP TO AND INCLUDING 10,000	-	-	-
ABOVE 10,000 UP TO AND INCLUDING 100,000	3	300,000	1.13%
ABOVE 100,000	23	26,304,169	98.87%
Totals	**26**	**26,604,169**	**100.00%**

6.3. Quoted Options

Holding Ranges	Holders	Units	% Issued
ABOVE 0 UP TO AND INCLUDING 1,000	-	-	-
ABOVE 1,000 UP TO AND INCLUDING 5,000	-	-	-

ABOVE 5,000 UP TO AND INCLUDING 10,000	-	-	-
ABOVE 10,000 UP TO AND INCLUDING 100,000	15	1,038,332	1.30%
ABOVE 100,000	51	24,296,565	78.90%
Totals	**256**	**30,793,938**	**100.00%**

7. Number of Holders Holding Less than a Marketable Parcel as at 15 March 2024

There are 309 holders with an unmarketable parcel with a total of 2,040,254 fully paid ordinary shares, amounting to 1.38% of Issued Capital.

8. Name of Company Secretary

As an Israeli company NGS is not required to have a company secretary however Automic Pty Ltd act as the company's local agent in Australia and Mr Hasaka Martin is the person responsible for communications with the ASX.

9. Address and Telephone Number of Registered Office and Principle Administrative Office if Different

9.1. Israel

3 Hanechoshet Street
Tel Aviv
6971068
Israel

9.2. Australia

Automic
Group
Deutsche
Bank Tower
Level 5/126 Phillip St Sydney, NSW,
2000 1300 288 664

10. Address and Telephone Number of Each Office Where the Register of Securities is kept

10.1. Automic
Group
Deutsche
Bank Tower
Level 5/126 Phillip St Sydney,
NSW, 2000 1300 288 664

11. List of Other Stock Exchanges on which any of the Entity's Securities are Quoted

11.1. NGS is listed on ASX. Home exchange is Perth. It is not listed on other stock exchanges.

12. As at 15 March 2024 the Company does not have any securities that are Restricted Securities or subject to Voluntary Escrow.

13. As at 15 March 2024 there were no persons holding more than 20% in any class of unquoted Securities.

14. Other Information

    14.1. There is no current on-market buy-back.

    14.2. No securities have been approved to be issued under item 7 of section 611 of the Corporations Act.

No securities were purchased on-market for the purposes of, or to satisfy entitlements of holders of options or other rights to acquire securities granted under, an employee incentive scheme.