Annual Report 31 December 2021
Nutritional Growth Solutions Ltd
Ngsolutions.co

A LETTER FROM OUR CHAIRMAN

Dear Shareholders

On behalf of the Board, it is with pleasure I present Nutritional Growth Solutions' annual report for the financial year ended 31 December 2021 (FY21).

I have joined the NGS Board at an exciting time where NGS' new nutritional, scientifically formulated products are being rolled across new channels and new geographies.

Healthy Heights® is now available in five countries worldwide, with the additions of Italy and China throughout 2021. With the newly manufactured New Zealand products, NGS can now extend its global footprint even further, into of Australia and Southeast Asia.

The Company made significant advancements in the United States, increasing our range of products and investing in marketing to build our profile, and as a result online sales grew strongly. Post reporting period, NGS commenced its retail expansion strategy that will strengthen our position in the US market by providing exposure to buyers and category mangers working for some of the world's leading retail brands including Wholefoods, CVS Pharmacy, Target and 7-Eleven, through ranging agreements with Walmart.com and Rangeme.com.

To ensure the company is best positioned to increase its market share across current and new markets and deliver on our vision of being a leading household name for child nutrition, NGS hired a new President in North America, and an Australian-based Commercial Director for China.

Nutritional Growth Solutions is in a unique position to successfully enter new markets and become the household name for trusted children's growth support products. We are the leading brand that supports children to grow to their full potential with nutritional formulas created by doctors, backed by science and clinically proven.

On behalf of the Board, thank you for your support. I am confident our unique and growing product suite, along with our continued expansion, has us well positioned for rapid growth with a clear pathway to profitability. As we enter this exciting new phase of our business, we will continue our journey to improve the nutrition and growth of children around the world and deliver strong results for our shareholders.

David Fenlon

Non-Executive Chairman

A LETTER FROM OUR CEO

Dear Shareholders

This year has been a year of significant operational progress for Nutritional Growth Solutions, advancing each of our key growth pillars – new markets, new products, and new sales channels.

This progress has ensured we delivered record results, generating over US$3 million in revenue – an increase of 63% from 2020. Combined with a healthy cash balance of US$4.1 million, we are well placed to deliver on our vision to become the household name for trusted children's growth support products.

2021 was a year of investment for the business, where we strengthened our sales, marketing and product development. These enhanced capabilities set the Company up for growth going forward, and are reflected in the FY21 net loss of $4.8 million.

Throughout the year, we remained focused on progressing the business towards achieving our mission by expanding our international footprint, developing a new range of scientifically backed products and broadening our distribution agreement remit.

Healthy Heights® is now selling in two new territories, China and Italy, with entry into Southeast Asia to occur in 2022. Our 2021 sales in Italy exceeded expectations, surpassing US$500k and we have a healthy distribution network in China, signing distribution agreements with Chemist Warehouse China and Ultrahealth throughout the year. Combined with our Tmall Global flagship store and New Zealand manufactured product that will be available in early 2022, we expect China to be a high growth market for NGS in 2022.

In the United States we prepared to commence our mass retail expansion. Our packaging now incorporates retail friendly canisters and single serve sachets to support the retail rollout, and includes the e-commerce platform of the world's largest retail group, Walmart.com, which was announced post-year end. The Healthy Heights® brand will be exposed to buyers and category mangers working for some of the world's leading retail brands including Wholefoods, CVS Pharmacy, Target and 7-Eleven who are looking for new and innovative products to expand their ranges through RangeMe.com.

We launched two new innovative Healthy Heights® products, Grow Daily Boys 10+ and Grow Daily 3+ Nutrition Bars. The Healthy Heights® Grow Daily 10+ is a shake formulated with a patented blend of nutrients to support the physical development of young males entering pre-teen and teenage years. The formula received positive clinical trial results showing an increase in growth in healthy, lean, and short pre-adolescent 10 to 14.5-year-old males, and the Grow Daily 3+ Nutrition Bars are formulated with the same nutritional profile as the Grow Daily 3+ shake that is clinically proven to increase growth development in children aged between 3 and 9 years old by 13.8% – 34% in their annual growth.

I am confident that the investments we have made in our brand, our people and our products will ensure the long-term success of NGS. We have trusted, highly nutritional products, that are scientifically proven to help young people reach their optimal height, supported by a healthy pipeline of new territories, distribution agreements and new product development that will place NGS into its next phase of growth.

I would like to take this opportunity to sincerely thank our shareholders, valued partners and the entire Nutritional Growth Solutions team. Together, we can enrich children's lives by providing them with top-quality nutritional products that are clinically proven to work – giving them the best opportunity to grow into the person they are meant to be.

Lion Fendell

Managing Director & Chief Executive Officer

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

NUTRITIONAL GROWTH SOLUTIONS LTD.

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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, 2021, the related statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021, 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, 2021, its financial performance and its cash flows for the year ended December 31, 2021 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.

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.

Share based payments	*How the matter was addressed in our audit*
Share based payments expenses for the year ended December 31, 2021 amounted to USD 1,053 thousand. The Company has a share-based remuneration scheme for employees. The fair value of the options was estimated by using the Black and Scholes model. The fair value of the options and performance rights granted is charged to profit or lost over the vesting period of each tranche and the credit is recognized in equity, based on the Company's estimate of shares that will eventually vest. The performance rights have performance conditions in addition to continued service. Share based payment calculation is a judgmental accounting area which requires assumptions utilized in the fair value calculations. There is a risk in the consolidated financial statements that the Company may incorrectly measure the fair value and incorrectly recognize and/or inappropriately disclose. The accounting policy for share based payment is described in Note 2, and the assumptions are disclosed in Note 11.B of the accompanying financial statments.	Our procedures in respect of this area included: • Reviewing the terms of the share-based scheme and performance rights and ensuring that they were appropriately accounted for. • Holding discussions with key management personnel to understand the share-based payment and performance rights schemes and the changes made to the awards, if any. • Evaluating, with our valuation experts, the calculation of the fair value as held by the Company's independent valuation expert and its related assumptions. • Confirming the inputs to the calculations, where appropriate, to external data. • Considering the adequacy of the Company's disclosures in respect with the treatment of share-based payments in the consolidated financial statements.

Tel Aviv	Jerusalem	Haifa	Beer Sheva	Bnei Brak	Kiryat Shmona	Petah Tikva	Modiin Ilit	Nazrat Ilit
03-6386868	02-6546200	04-8680600	077-7784100	073-7145300	077-5054906	077-7784180	08-9744111	04-6555888

Main office: Beit Amot BDO, 48 Menachem Begin Road, Tel Aviv, 6618001 **Email:** bdo@bdo,co.il **Website:** www.bdo.co.il

BDO

Derivative liabilities	How the matter was addressed in our audit
Derivative liability for the year ended December 31, 2021 amounted to USD 127 thousand. The related disclosure are in Note 11A to the financial statements. During 2021 the Company issued 5,813,953 warrants to different investors- see Note 11. The warrants are classified as a derivative liabilities and are measured at fair value at each reporting date, since the exercise price of the warrants is denominated in AUD and the functional currency of the Company is USD. The fair value of the derivative liability was estimated based on Black & Scholes model which takes into account the terms and conditions upon which the warrants were granted. We have focused on this area due to the significant judgments regarding assumptions utilized in the fair value calculation.	Our procedures in respect of this area included: • We reviewed the design of the controls identified by the management surrounding the fair value calculation. • We read relevant documents related to the issuance of the warrants. • We evaluate the calculation of the fair value and the report prepared by an independent valuation expert. • We examined the reasonableness of the assumptions and the methodology which were the basis of the calculation. • We verified the inputs data of the calculations by reference to, where appropriate, external data. • We considered the adequacy of the Company's disclosures in respect of the treatment of the derivative liability in the financial statements, and the disclosure of the accounting policies.

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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, 2021, 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 17, 2022

BDO Ziv haft
Certified Public Accountants (Isr.)
BDO Member Firm

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(US Dollar in thousands)

	Note	December 31, 2021	December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents		4,142	4,630
Trade receivables		35	38
Other accounts receivable	4	108	240
Inventories	7	315	145
Total current assets		4,600	5,053
Non-current assets:			
Intangible assets	5	60	150
Right of asset use, net	10	73	-
Property, plant and equipment, net	6	7	13
Total non-current assets		140	163
TOTAL ASSETS		4,740	5,216

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, 2021	December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade account payables		213	186
Lease liability	10	36	-
Derivative financial liability	11	127	-
Other account payables	8	452	579
Total current liabilities		828	765
Non-current liabilities:			
PPP loan	9	-	129
Long term lease liability	10	37	-
Total non-current liabilities		37	129
Shareholders' equity:	11		
Share capital and premium		11,061	7,781
Share based payment reserve		1,788	735
Retained losses		(8,974)	(4,194)
Total shareholders' equity		3,875	4,322
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,740	5,216

Liron Fendell	Dave Fenlon	Tzahi Peker	March 16 2022
Chief Executive Officer	Chairman	Chief Financial Officer	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, 2021	Year ended December 31, 2020
Revenue	12	3,040	1,870
Cost of revenue		1,679	950
Gross profit		1,361	920
Research and development expenses	13	897	239
General and administrative expenses	14	2,071	1,268
Selling and marketing expenses	15	3,126	1,662
Operating loss		4,733	2,249
Financial expense		65	2,219
Financial income		18	108
Loss before tax		4,780	4,360
Taxes on income	16	-	1
Total comprehensive loss for the year		4,780	4,361
Basic and diluted loss per share	11	$ (0.05)	$ (0.09)

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

NUTRITIONAL GROWTH SOLUTIONS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(US Dollar in thousands)

	Share capital and premium	Share based payment reserve	Retained earnings (losses)	Total
Balance at January 1, 2020	2	444	167	613
Changes during the year:				
Total comprehensive loss	-	-	(4,361)	(4,361)
Issuance of shares, net	4,514	-	-	4,514
Conversion of convertible loan	3,265	-	-	3,265
Share based payment	-	291	-	291
Balance at December 31, 2020	7,781	735	(4,194)	4,322
Changes during the year:				
Total comprehensive loss	-	-	(4,780)	(4,780)
Issuance of shares, net	3,280	-	-	3,280
Exercise of options (*)	*	(*)	-	*
Share based payment	-	1,053	-	1,053
Balance at December 31, 2021	11,061	1,788	(8,974)	3,875

(*) Amount under 1 US Dollar in thousands

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, 2021	Year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(4,780)	(4,361)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	20	10
Amortization of intangible assets	90	-
Decrease (increase) in trade receivables, net	3	(26)
Decrease (increase) in other accounts receivable	140	(140)
Increase in inventories	(170)	(9)
Financing income	-	(9)
Increase in trade accounts payables	27	151
Increase (decrease) in other accounts payables	(52)	302
Share-based payment	1,053	291
Gain from forgivable loan	(129)	-
Change in fair value of derivative-warrants	(18)	-
Change in fair value of convertible loan	-	2,223
Net cash used in operating activities	(3,816)	(1,568)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(4)	(5)
Purchase of intangible assets	(75)	(75)
Withdrawal (payment) of deposit	(8)	4
Net cash used in investing activities	(87)	(76)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receipt of convertible loan	-	1,042
Exercise of stock options	*	-
Lease payments	(10)	-
Receipt of PPP loan	-	138
Issuance of shares and options, net	3,425	4,514
Net cash provided by financing activities	3,415	5,694
Net increase (decrease) in cash and cash equivalents	(488)	4,050
Cash and cash equivalents at the beginning of the year	4,630	580
Cash and cash equivalents at the end of the year	4,142	4,630

(*) Amount under 1 US Dollar in thousands

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, 2021	Year ended December 31, 2020
APPENDIX A - AMOUNT PAID DURING THE YEAR FOR:		
Income tax paid	-	1
Interest paid	2	-

	Year ended December 31, 2021	Year ended December 31, 2020
APPENDIX B – NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Recognition of right of use assets and lease liabilities	83	-
Conversion of convertible loan to equity	-	3,265
Purchase of property intangible assets	-	75

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

NUTRITIONAL GROWTH SOLUTIONS LTD.
ASX ADDITIONAL INFORMATION

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 Berkovich 4, 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 changed its name from N.G Solutions Ltd. to Nutritional Growth Solutions Ltd. in June 2020.

C. 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.

D. The novel coronavirus ("COVID-19") has adversely impacted global commercial activity and contributed to significant volatility in financial markets. The COVID-19 pandemic has disrupted global supply chains and adversely impacted many different industries for most of 2020-2021. COVID-19 could have a continued material adverse impact on economic and market conditions and trigger a period of continued global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the extent and the duration of the economic impact of COVID-19. COVID-19 therefore presents material uncertainty and risk with respect to the Group and its performance and could affect the Group's financial results in a materially adverse way.

   Due to the COVID-19 pandemic spread during 2021, the Group have experienced some changes in its operations among them, shift to remote work as a result of lockdown, health precaution measures, delay in supply chain and delivery of goods. As of this date, the Group is unable to assess what, and for how long, any adverse changes may impact the Group business for the long term, nevertheless, the Group experienced difficulties and delays in the production and supply of its products which to some extent were attributable to the pandemic and its adverse impact on global supply chain and transportation.

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 convertible loan that has been recorded at fair value. 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.

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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Cash and cash equivalents

Cash equivalents are considered by the Company to be highly-liquid investments, including, inter alia, short-term deposits with banks and the maturity of which do not exceed three months at the time of deposit and which are not restricted.

Loss per share

Loss per share is calculated by dividing the net loss, by the weighted number of ordinary shares outstanding during the period. Basic loss per share only include shares that were actually outstanding during the period.

Foreign currency

The financial information of the Group is presented in US Dollars which is the Company's functional 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.

<u>Classification by fair value hierarchy</u>

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 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 which are recognized in other comprehensive income.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

2. Financial Liabilities (cont):

Fair value through profit and loss: the financial derivative is measured at fair value through profit or loss and re-measured each reporting date, with changes in fair value recognized in finance expense (income). In addition, transaction costs are also recognized in profit or loss.

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 assets, 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. Deferred tax assets relating to carry forward losses in the financial statements being recognized only when their utilization in the foreseeable future is probable.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Property, plant and equipment

Items of property, plant and equipment are initially recognized at cost including directly attributable costs. Depreciation is calculated on a straight-line basis, over the useful lives of the assets at annual rates as follows:

	Annual depreciation rate (%)
Computers	33
Furniture and office equipment	6-33

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets’ residual values ,depreciation rates, and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is higher than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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.

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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, excluding leases where the lease term is 12 months or less, or where the underlying asset is of low-value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing acting as a lessor.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's leasee`s incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee.
- the exercise price of any purchase option granted if it is reasonably certain to exercise that option.
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Leases (cont.)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the underlying asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining useful life of the right of use asset, if rarely, this is judged to be shorter than the lease term. In the scenario that the measurement of lease liabilities takes into consideration the purchase option the Group will amortize the right of use assets over the underlying asset's useful life. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the Group's assessment of the term of any lease. The remeasurement being recognized in front of the right of use assets.

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, 2021 and 2020, expenses were not capitalized, as they do not meet the criteria set forth in IAS 38.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Acquisition of group of assets that do not constitute a business

When purchasing group of assets that do not constitute a business, the Group recognizes acquired assets. The total cost is allocated to the assets based on their relative fair value at the time of acquisition. Intangible assets with a finite useful life are amortized over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

Impairment of non-financial assets

Non-financial assets excluding inventories are subject to impairment test whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of the non-financial asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to dispose), the asset is written down and impairment charge is recognized to profit or lost. Non-financial assets with indefinite useful life or assets that are yet being in use are tested for impairment on a yearly basis and also when there is an indication for impairment.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the smallest group of assets to which the asset belongs that generates cash inflow that are largely independent of cash inflows from other assets).

An impairment loss allocated to asset, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, is limited to the lower of the carrying amount of the asset that would have been determined (net of depreciation or amortization) if no impairment loss been recognized for the asset in prior years and the assets recoverable amount. After an impairment of non-financial asset is recognized, the Company examines at each reporting date whether there are indications that the impairment which was recognized in the past is no longer exists or should be reduced. The reversal of impairment loss of an asset is recognized in profit or loss.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Employee benefits

The Group has several employees' benefits plans:

1. Short-term employee benefits: Short-term employee benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognized as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognized when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.
2. Post-employment benefits: The plans are financed by contributions to insurance companies and classified as defined contribution plans. The Group has contributed for all of its employees contribution plans pursuant to Section 14 to the Severance Pay Law which the Company pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods.

Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense simultaneously with receiving the employee's services and no additional provision is required in the financial statements except for the unpaid contribution. The Group also operates for some employees an immaterial defined benefit plan in respect of severance pay pursuant to the Severance Pay Law.

Liability for royalties payable

The Group measured its governmental liabilities on grants received, each period, based on discounted cash flows derived from Group's future anticipated revenues. The discount rate reflects the market rate at the date of receiving the grant. A change in the estimate within a reasonable range will not result a material change of the liability.

New standards, interpretations and amendments 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.
In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

New standards, interpretations and amendments not yet effective (cont.):

The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023. In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analyzing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalize the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year. The Group is currently assessing the impact of these new accounting standards and amendments. The Group will assess the impact of the final amendments to IAS 1 on classification of its liabilities once the those are issued by the IASB. The Group does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES:

Share based payment

The Group has a share-based remuneration scheme for employees and suppliers. In 2021 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 2021 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 11b 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, 2021	December 31, 2020
Prepaid expenses	85	155
Deposit	12	4
Government institutions	11	47
Others	-	34
Total	108	240

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.

Following are the purchased assets as of the purchase date:

	December 31, 2020
Customer's relation	58
Brand	22
Know how	70
Total	150

The useful life period of the Know how is 0.5 year.
The useful life period life of Customers relation and Brand is 4 years.

The Group has begun amortization for its intangible assets on January 1, 2021 as they were delivered at December 31, 2020.

NOTE 5 - INTANGIBLE ASSETS (CONT.):

For the year ended December 31, 2021:

	Customer's relation	Brand	Know how	Total
Cost:				
As of January 1, 2021	58	22	70	150
Additions	-	-	-	-
As of December 31, 2021	58	22	70	150
Accumulated depreciation:				
As of January 1, 2021	-	-	-	-
Additions	(14)	(6)	(70)	(90)
As of December 31, 2021	(14)	(6)	(70)	(90)
Net book value:				
As of December 31, 2021	44	16	-	60

NOTE 6 - PROPERTY, PLANTAND EQUIPMENT, NET:

For the year ended December 31, 2021:

	Computers	Furniture and office equipment	Total
Cost:			
As of January 1, 2021	17	19	36
Additions	4	-	4
As of December 31, 2021	21	19	40
Accumulated depreciation:			
As of January 1, 2021	(11)	(12)	(23)
Additions	(5)	(5)	(10)
As of December 31, 2021	(16)	(17)	(33)
Net book value:			
As of December 31, 2021	5	2	7

NOTE 6 - PROPERTY, PLANTAND EQUIPMENT, NET(CONT.):

For the year ended December 31, 2020:

	Computers	Furniture and office equipment	Total
Cost:			
As of January 1, 2020	13	18	31
Additions	4	1	5
As of December 31, 2020	17	19	36
Accumulated depreciation:			
As of January 1, 2020	(6)	(7)	(13)
Additions	(5)	(5)	(10)
As of December 31, 2020	(11)	(12)	(23)
Net book value:			
As of December 31, 2020	6	7	13

NOTE 7 - INVENTORIES:

	December 31, 2021	December 31, 2020
Raw materials	112	36
Finished goods	203	109
Total	315	145

NOTE 8 - OTHER ACCOUNTS PAYABLE:

	December 31, 2021	December 31, 2020
Liability to royalties payable	142	137
Accrued expenses	136	162
Employees, salaries and related liabilities	118	82
Credit cards	55	48
Amount payable to assets purchase (see also Note 5)	-	75
Others	1	75
Total	452	579

NOTE 9 – PPP LOAN:

In May 2020, under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") in United States the U.S subsidiary signed an agreement to receive a long-term loan (the "PPP loan") in the amount of 138 from Silicon Valley Bank (hereafter "SVB"). According to the terms of the PPP loan, the payments will be deferred for six months from the funding date. The PPP loan has a maturity of two years and bears interest rate of 1%. As of December 31, 2020, the PPP loan balance is 129.

On August 1, 2021, the US subsidiary received a notice by the US Small Business Administration ("the SBA") in which it was stated that the SBA has waived on July 28, 2021 the PPP loan granted to the group on April 28, 2020 and therefore the loan amount was credited to sales and marketing expenses.

NOTE 10 – LEASES:

On August 27, 2021, the group' US subsidiary has signed an office lease agreement, under which, the subsidiary leased about 150 square meters, for a period of 26 months commencing October 1, 2021 for its day to day office needs and onsite work. The monthly base rent fees are $3,554. The lease does not contain a purchase option.. The interest rate applied was 11% per annum.

The Group' parent 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 2021 and 2020 were 45 and 72, respectively.

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

	Office facilities
At January 1, 2021	-
Additions	83
Depreciation expense	10
As at December 31, 2021	73

NOTE 10 – LEASES (CONT.):

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

	2021
At January 1, 2021	-
Additions	83
Accretion of interest	2
Interest payment	(2)
Principal payment	(10)
As at December 31, 2021	73

The following are the amounts recognized in profit or loss:

	2021
Depreciation expense of right-of-use assets	10
Interest expense on lease liabilities	2
Total amount recognized in profit or loss	12

The total future value of minimum lease payments is due as follows**:**

	December 31, 2021	December 31, 2020
Not later than one year	14	12

The Group had total cash outflows for leases of 12 in 2021. The Group also had non-cash additions to right-of-use assets and lease liabilities of 83 in 2021.

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

NOTE 11 - SHAREHOLDERS' EQUITY:

A. Share capital:

Listing on the ASX:

1. The Company was admitted to the official list of the ASX on October 30, 2020, with its ordinary fully paid shares having commenced trading on October 30, 2020. The Company raised gross 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. Issuance expenses amounted to 593 out of which 102 was recorded in the statement of income (see also Note 2). Prior to the IPO, the Company issued bonus shares so that each ordinary share received approximately 27 additional ordinary shares and consequently the total existing shares was increased to 36,500,000.

2. On August 2021, the Company completed a follow-on public capital raise in ASX upon which the Company raised gross AUD 5 million (approximately gross 3,623, approximately net 3,425 after issuance expenses). Issuance expenses amounted to 343 which were recorded in the equity. Each new shareholder received 4 new ordinary shares plus 1 stock option against AUD 0.86. The stock options are vested upon issuance and exercisable over 2 years at a price per option of AUD 0.27 commencing issuance date (the “term”) and will expire upon the elapse of the term. The stock options have been admitted to the official list of the ASX on November 23, 2021. Upon the options’ issuance, the fair value of share options was estimated by using a Black and Scholes simulation model approach. The option value as of issue date is 0.02 USD per option.

   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 are:

   - The expected volatility is 60%.
   - The dividend growth rate 0%.
   - Expected term - 2 years.

Reconciliation of liabilities arising from financial activities:

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

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):
A. Share capital (cont.):

	Derivative liability
As of January 1, 2021	**-**
Issuance of warrants (financial derivative) as part of package	145
Decrease in fair value of financial derivative	(18)
As of December 31, 2021	**127**

Movement in number of shares during 2021:

	Number of shares
Opening balance as at January 1, 2021	94,714,298
Issuance of shares as a result of exercise of employee options	104,505
Issuance of shares (follow on capital raise)	23,255,814
Closing balance at December 31, 2021	118,074,617

	Number of ordinary shares as of December 31, 2021	
	Authorized	Issued and outstanding
Ordinary shares of NIS 0.01 par value	500,000,000	118,074,617

	Number of ordinary shares as of December 31, 2020	
	Authorized	Issued and outstanding
Ordinary shares of NIS 0.01 par value	500,000,000	94,714,298

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):
B. Share based payment:

On October 21, 2014 the Group established a share option plan (the "Plan"). The options were granted under section 102 of the Israeli tax ordinance. On August 6, 2020, towards its ASX admission, the Group established a new share option plan that, among other things includes enhancements to allow the Group option grant to American and Australian optionees under the terms of their tax jurisdictions.

All options data are presented after giving effect to the issuance of bonus shares.

1. Options to the CEO:
   - On November 28, 2016, the Group granted 375,604 options exercisable into 375,604 ordinary shares of the Company, NIS 0.01 par value each. The options exercisable at a price of NIS 0.01 per share and will vest equally each month over a period of 2 years. The option value as of grant date is USD 6 per option. The fair value of the option is equal to the ordinary shares fair value.
   - On March 28, 2017, the Group granted 562,771 options exercisable into 562,771 ordinary shares of the Company, NIS 0.01 par value each. The options are exercisable at a price of NIS 0.01 per share and will vest equally each month over a period of 3 years. The option value as of grant date is USD 6 per option. The fair value of the option is equal to the ordinary shares fair value.

2. On January 3, 2019, the Group granted 2,261,625 options exercisable into 2,261,625 ordinary shares of the Company, NIS 0.01 par value each. The options are exercisable at a price of NIS 0.01 per share and will vest equally each month over a period of 4 years. The option value as of grant date is USD 7.19 per option. The fair value of the option is equal to the ordinary shares fair value.

3. On July 1, 2019, the Group granted to one of its officers 300,000 options exercisable into 300,000 ordinary shares of the Company, NIS 0.01 par value each. The options were exercisable at a price of $2.31 per share and have vested equally each month over a period of 1.5 years. The option value as of grant date is 1.95 USD per option. The fair value of the option is equal to the ordinary shares fair market value. Towards the company's admission in Austrian Stock Exchange and as per the Company's prospectus, the exercise price of the grant was changed to AUD 0.2, in line with the initial public offering share price. Contractual life of the options under the Plan is 10 years. The fair value of share options was estimated by using a Black and Scholes model approach, which was aimed to model the value of the Company's assets over time.

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):

B. Share based payment (cont.):

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 57.62%,
- The dividend growth rate 0%,
- Expected term - 10 years

The valuation performed by an external valuator based on management's assumptions.

In 2021 and 2020, the Group recorded a share-based payment expenses at the amount of 82 and 164, respectively, to shares mentioned above.

On July 6, 2021, the employment of the officer was terminated, and the above options were exercised into 87,019 shares under net exercise procedure.

4. Upon listing on the ASX, the Group granted 8,800,002 performance rights (the "Performance Rights") to subscribe ordinary shares of the Company. The Performance Rights are exercisable at a price of USD 0.02 and AUD 0.2 per share. The Performance Rights will vest and become exercisable to ordinary shares at the earliest between achieving cumulative revenues of 3,900 or at October 31, 2025. The Performance Rights shall expire on December 31, 2025. The fair value of performance rights was estimated by using the Black and Scholes model, which was aimed to model the value of the Group's assets over time. In 2021 and 2020, the Group recorded a share-based payment expenses at the amount of 895 and 127, respectively, to shares mentioned above. On July 6, 2021, the employment of one of the grantees was terminated, and as a result 1,114,286 Performance rights have expired.

5. On January 27, 2021, the Group has signed a two years agreement (the “Agreement”) with Yoola Labs Ltd. (“Yoola”), a leading YouTube multi-channel network and influencer-focused service provider. Yoola will offer the Group and its Healthy Height® brand services for organic interaction with target audiences in Asia. As part of the Agreement, Yoola and its influencers were issued 250,000 share options, under the same terms of the Group’s 2020 Share Incentive Plan in effect (the “ESOP”), fully vested and exercisable. The options are exercisable at a price of AUD 0.2747 per share. Yoola and its influencers will also be entitled to success-based cash compensation based on actual attributed sales as a result of Yoola and its influencers’ effort. The option value as of grant date is USD 0.05 per option. The fair value of share options was estimated by using a Black and Scholes model approach, which was aimed to model the value of the Group's assets over time.

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):

B. Share based payment (cont.):

The service value is estimated at $12 based on the fair value options according to IFRS 2.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 - 2 years

6. On January 14, 2021 the Group granted to one of its officers 500,000 options exercisable into 500,000 ordinary shares of the Company, NIS 0.01 par value each. The options are exercisable at a price of AUD 0.26 per share and will vest equally each month over a period of 3 years commencing July 1, 2020 with a 1-year cliff on July 1, 2021. Contractual life of the options is 10 years. The option value as of grant date is USD 0.12 per option. The fair value of share options was estimated at $61 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.

7. On February 25, 2021, the Group has signed a two years agreement (the “Gavin Thomas Agreement”) with Gavin Thomas, a leading Social Media Influence service provider which was introduced to the Group by Yoola. As part of the Gavin Thomas Agreement, Gavin Thomas was issued 250,000 share options, under the same terms of the Group’s 2020 Share Incentive Plan in effect (the “ESOP”), fully vested and exercisable. The options are exercisable at a price of AUD 0.2731 per share. Gavin Thomas is also be entitled to fixed cash compensation and based on actual attributed sales.

   The value of the service was estimated according to the fair value of the options.

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):

B. Share based payment (cont.):

The option value as of grant date is 0.05 per option. The fair value of share options was estimated by using a Black and Scholes model approach, which was aimed to model the value of the Company's assets over time. The service value is estimated at $13 based on the fair value options according to IFRS 2. 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 - 2 years.

8. On November 4, 2021 the Group granted to one of its officers 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 0.175 per share and will vest equally each quarter over a period of 4 years commencing July 6, 2021 with a 1-year cliff. Contractual life of the options is 10 years. The option value as of grant date is USD 0.08 per option. The fair value of share options was estimated 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.

9. On November 18, 2021 the Group signed a service agreement with Spark Plus Pte Ltd. (the “advisor”) whereby the advisor will provide investor relations and roadshow services to the Group for a period of six (6) months commencing November 2021. Under the Agreement, the Advisor is entitled to issuance of 232,835 ordinary shares which will be issued to the Advisor after the elapse of four (4) months commencing November 2021 (provided the Agreement was not terminated earlier nor the advisor breached the Agreement).

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):

B. Share based payment (cont.):

The options and performance rights to employees, officers and consultants outstanding as of December 31, 2021 and 2020 are comprised, as follows:

	Year ended December 31, 2021	
	Number of options	**Weighted average Exercise price**
Outstanding at beginning of year	12,300,002	$ 0.019
Expired	1,114,286	$ 0.146
Exercised	466,664	$ 0.146
Granted	1,750,000	$ 0.172
Outstanding at end of year	12,469,052	$ 0.024
Exercisable options	3,116,734	$ 0.041

	Year ended December 31, 2020	
	Number of options	**Weighted average Exercise price**
Outstanding at beginning of year	3,500,000	$ 0.016
Granted	8,800,002	$ 0.02
Outstanding at end of year	12,300,002	$ 0.019
Exercisable options	2,269,357	$ 0.021

NOTE 11 - SHAREHOLDERS' EQUITY (CONT.):

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, 2021	Year ended December 31, 2020
Loss for the year	(4,780)	(4,361)
Weighted average number of ordinary shares	102,590,609	46,388,454
Basic and diluted loss per share	$ (0.05)	$ (0.09)

D. Convertible loan:

During May-June 2020, the Group issued a convertible loan in an aggregate gross amount of AUD 1,600 thousand (approximately 1,042) as follows:

- AUD 100 thousand, convertible to ordinary shares of the Company at AUD 0.008 per share, when and if the Company completes an IPO facilitated by its brokers, or at AUD 0.14 per share, upon any other listing event.
- AUD 1,500 thousand, convertible to ordinary shares of the Company at AUD 0.14 per share, when and if the Company completes a listing event.

In the absence of a listing event, the convertible loan will be converted to the most senior existing class of shares of the Company, upon the next capital raise for the Company, at a discount of 15%-20% depending on the circumstances of such future capital raise. In the absence of listing event and capital raise the loans will mature on February 2022.

On October 30, 2020 the Group completed an IPO. Upon admission, the convertible loan was converted to 23,214,286 ordinary shares of the Company. Change in the fair value of the convertible loan which amounted to 2,223 was recorded as financial expenses.

NOTE 12 - REVENUE:

Geographical analysis of revenue

	Year ended December 31,			
	2021		2020	
	%		%	
United States	82%	2,505	93%	1,731
Rest of the world	18%	535	7%	139
	100%	3,040	100%	1,870

NOTE 13 - RESEARCH AND DEVELOPMENT EXPENSES:

	Year ended December 31, 2021	Year ended December 31, 2020
Share based payment	522	71
Payroll and related benefits	300	76
Advisors fee	75	34
Others	-	58
	897	239

NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES:

	Year ended December 31, 2021	Year ended December 31, 2020
Professional fees	1,022	682
Share based payment	531	220
Salary and related expenses	472	304
Rent short term lease	45	41
Depreciation	1	1
Office maintenance	-	14
Others	-	6
	2,071	1,268

NOTE 15 - SELLING AND MARKETING EXPENSES:

	Year ended December 31, 2021	Year ended December 31, 2020
Advertising expenses	1,154	608
Subcontractors	1,022	307
Salary and related expenses	722	539
Website maintenance	-	28
Others	228	180
	3,126	1,662

NOTE 16 - TAXES ON INCOME:

1. **General tax rate applicable to income in Israel:**

   Israeli corporate tax rates are 23% in 2021 and 2020. The Company in Israel has final tax assessments until 2015.

2. **U.S. subsidiary:**

   The U.S. subsidiary incorporated in 2017 and is subject to local corporate tax in the United States. In 2021 the federal rate applies was 25% (2020 – 21%). As of December 31, 2020, the U.S. subsidiary has not received any final tax assessments with respect to previous years.

3. **Tax reconciliation:**

	Year ended December 31, 2021	Year ended December 31, 2020
Loss before taxation	(4,780)	(4,361)
Theoretical tax credit at applicable statutory 2021 & 2020: 23%	(1,099)	(1,003)
Effect of the different tax rate in the U.S.	(8)	(10)
Non-allowable expenses	240	62
Temporary differences and tax losses for which no deferred tax asset is recognized	880	814
Miscellaneous	(13)	138
Tax on income	-	1

NOTE 16 - TAXES ON INCOME (CONT.):

4. Net operating losses carry forwards:

As of December 31, 2021, the Company has estimated carry forward tax losses of approximately 7,700 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 17 - COMITMENTS AND CONTINGENT LIABILITIES:

Liability for royalties payable

The Company 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. Under the terms of the Israeli government funding program, the Company will pay royalties of 3% of the increase in sales to the U.S. market during a period of 5 years commencing December 31, 2017. Royalties' payment shall not exceed 100% of the grant received, as of December 31 2021 the total grant amount received is 142. As of December 31, 2021, and 2020, the liability for royalties payable is 142 and 137 respectively**.**

NOTE 18 - 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.

Related party transactions

	Year ended December 31, 2021	Year ended December 31, 2020
Subcontractors and consulting expenses (research and development, general and administrative)	93	65
Share based payment	1,028	291
Payroll and related benefits including management fees	899	500
Revenue received from related party	30	25

NOTE 18 - RELATED PARTIES (CONT):

Payables to related parties

Name	Nature of transaction	December 31, 2021	December 31, 2020
Related party	Management fees	8	8
Related party	Payroll and related benefits	45	20

Receivables from related parties

Name	Nature of transaction	December 31, 2021	December 31, 2020
Related party	Revenues from related party	8	7

NOTE 19 - 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 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.

NOTE 19 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT):

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, 2021	December 31, 2020
Cash and cash equivalents	4,142	4,630
Trade account receivable	35	38
Other account receivable	12	240
Total	4,189	4,908

NOTE 19 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Currency risk (cont):

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:

Assets	**December 31, 2021**			
	AUD	**Euro**	**NIS**	**TOTAL**
Cash and cash equivalents	398	80	230	708
Trade accounts receivable	-	-	8	8
Other accounts receivable	41	-	19	60
	439	80	257	776
Liabilities				
	AUD	**Euro**	**NIS**	**TOTAL**
Trade accounts payable	24	4	-	28
Other accounts payable	127	-	127	254
Liability for royalties payable	-	-	142	142
	151	4	269	424
Net	**288**	**76**	**(12)**	**352**

NOTE 19 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Currency risk (cont.):

Assets	**December 31, 2020**			
	AUD	**Euro**	**NIS**	**TOTAL**
Cash and cash equivalents	352	76	712	1,140
Trade accounts receivable	-	-	7	7
Other accounts receivable	-	-	51	51
	352	76	770	1,198

Liabilities	**AUD**	**Euro**	**NIS**	**TOTAL**
Trade accounts payable	14	-	25	39
Other accounts payable	7	67	113	187
Liability for royalties payable	-	-	137	137
	21	67	275	363
Net	**331**	**9**	**495**	**835**

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, 2021	**Year ended December 31, 2020**
NIS	(1)	50
AUD	29	33
EURO	8	1
	36	84

NOTE 19 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

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.

At December 31, 2021	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 year
Trade accounts payable	213	-	-
Other accounts payable	310		
Liability for royalties payable	-	142	-
Lease liability	-	37	36
Total	523	179	36

At December 31, 2020	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 year
Trade accounts payable	186	-	-
Other accounts payable	442	-	-
Liability for royalties payable	-	137	-
PPP loan	-	-	129
Total	628	137	129

NOTE 15 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.)

Fair value of financial liabilities

Items carried at fair value as of December 31, 2021 are classified in the table below:

	US$ In Thousands			
	Fair value measurements using input type			
	December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial derivative	-	-	(127)	(127)

NUTRITIONAL GROWTH SOLUTIONS LTD.

ADDITIONAL INFORMATION AS PER ASX LISTING RULES

Additional information required by ASX Listing Rules and not disclosed elsewhere in this report is set out below

Corporate Governance Statement

The Company's Corporate Governance Statement can be found at: https://ngsolutions.co

Shareholder and Option Holder Information

Top 20 Holders of Ordinary Fully Paid Securities as at 16 March 2022

Rank	Holder Name	Holding	Issued
1	MOR RESEARCH APPLICATIONS LTD	12,604,790	10.68%
2	MS HADASSA BYMEL	8,098,652	6.86%
3	PROF PHILLIP MOSHE	5,028,720	4.26%
4	PROF RAANAN SHAMIR	4,465,470	3.78%
5	PROF LAZAR LIORA	3,151,184	2.67%
5	DR MICHAL GAVAN	3,151,184	2.67%
6	MOSHE COHEN	3,107,143	2.63%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,975,389	2.52%
8	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	2,610,162	2.21%
9	MR MARX LIN	2,300,000	1.95%
10	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,920,579	1.63%
11	MS YULIA UVAROVA <TECHINVEST NOMINEES A/C>	1,889,290	1.60%
12	BLACKCHESS INVESTMENT PTY LTD	1,700,000	1.44%
13	MR NARINDER SINGH SUDAGAR SINGH <SIDHU A/C>	1,657,429	1.40%
14	BNP PARIBAS NOMS PTY LTD <DRP>	1,643,171	1.39%
15	IMPACT EQUITIES PTY LTD	1,626,000	1.38%
16	ARQ CAPITAL PTY LTD <NITSCHE FAMILY A/C>	1,571,571	1.33%
17	CITICORP NOMINEES PTY LIMITED	1,562,534	1.32%
18	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,500,001	1.27%
19	MR BRIAN LEEDMAN & MRS NATASHA LEEDMAN	1,440,000	1.22%
20	GCN INVESTMENTS PTY LTD <SEVEEN SUPERFUND A/C>	1,100,000	0.93%
	Total	**65,103,269**	**55.14%**

Top 20 Holders of Quoted Options as at 16 March 2022

Rank	Holder Name	Holding	Issued
1	MOLO CAPITAL PTY LTD <JAMIE MYERS FAMILY A/C>	858,649	7.94%
2	ARGONAUT INVESTMENTS PTY LIMITED <ARGONAUT INVEST NO 3 A/C>	800,000	7.40%
3	MR MICHAEL ZOLLO	700,000	6.47%
4	ALASUE SUPERANNUATION PTY LTD <ALASUE SUPER FUND A/C>	536,625	4.96%
4	MR DAVID RALPH BAKER & MR MATTHEW DAVID BAKER <BAKER SUPER 4 DRB A/C>	536,625	4.96%

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ADDITIONAL INFORMATION AS PER ASX LISTING RULES

5	BAKER YOUNG STOCKBROKERS LTD	497,188	4.60%
6	ATLANTIS MG PTY LTD <MG FAMILY A/C>	486,825	4.50%
7	MACDONALD FAMILY SF PTY LTD <MACDONALD FAMILY SF A/C>	428,325	3.96%
8	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>	421,592	3.90%
9	CKBCAJ FAMILY PTY LTD <MACDONALD FAMILY A/C>	350,000	3.24%
10	MR CHRISTOPHER STEWART MACDONALD	343,024	3.17%
11	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	290,750	2.69%
12	PROSPERION WEALTH MANAGEMENT PTY LTD <INVESTMENT A/C>	200,000	1.85%
13	WARRAGOON INVESTMENTS PTY LTD	125,000	1.16%
13	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	125,000	1.16%
14	MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	100,000	0.92%
14	RIYA INVESTMENTS PTY LTD	100,000	0.92%
14	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	100,000	0.92%
15	HUNTER CAPITAL ADVISORS P/L	80,000	0.74%
16	KELVERLEY PTY LTD <RERANI SUPER FUND A/C>	75,000	0.69%
16	AKJ SUPER PTY LTD <JENKINS SUPER FUND A/C>	75,000	0.69%
17	MR DAVID CURZON SMITH	60,000	0.55%
18	ELSANA PTY LTD <J & K MITROPOULOS S/F A/C>	58,250	0.54%
18	MITROPOULOS NOMINEES PTY LTD <SUPER FUND ACCOUNT>	58,250	0.54%
18	KOVI G INVESTMENTS PTY LTD <KOVI GORDON FAMILY A/C>	58,250	0.54%
18	SENM (SUPER) PTY LTD <CASZUR EXECUTIVE S/F A/C>	58,250	0.54%
19	THUNDEROUS PTY LTD	58,140	0.54%
20	KEBIN NOMINEES PTY LTD	58,139	0.54%
20	JSR PROMOTIONS PTY LTD <JACK REDDEN FAMILY A/C>	58,139	0.54%
	Total	**7,697,021**	**71.18%**

Substantial Holders

Substantial Holders of 5% or more of Fully Paid Securities as at 16 March 2022

MOR RESEARCH APPLICATIONS LTD	12,604,790	10.68%
HADASSA BYMEL PHARMACY & NATURE LTD	8,098,652	6.86%

Numbers of Holders of Each Class of Equity Securities as at 16 March

Security Name	Total Holders	Total Holdings
ORDINARY FULLY PAID SHARES	829	118,074,617
PERFORMANCE RIGHTS	1	1,000,000
UNQUOTED OPTIONS	31	31,469,052
QUOTED OPTIONS	179	10,813,953

NUTRITIONAL GROWTH SOLUTIONS LTD.

ADDITIONAL INFORMATION AS PER ASX LISTING RULES

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
PERFORMANCE RIGHTS	NO VOTING RIGHTS ATTACHED

Distribution Schedule for Each Type of Equity Security as at 16 March 2022

Ordinary Fully Paid Securities

Holding Ranges	Holders	Units	% Issued
ABOVE 0 UP TO AND INCLUDING 1,000	17	2,684	0.00%
ABOVE 1,000 UP TO AND INCLUDING 5,000	159	498,239	0.42%
ABOVE 5,000 UP TO AND INCLUDING 10,000	90	731,348	0.62%
ABOVE 10,000 UP TO AND INCLUDING 100,000	400	17,188,583	14.56%
ABOVE 100,000	163	99,653,763	84.40%
Total	**829**	**118,074,617**	**100.00%**

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	0.95%
ABOVE 100,000	28	31,169,052	99.05%
Totals	**31**	**31,469,052**	**100.00%**

Quoted Options

Holding Ranges	Holders	Units	% Issued
ABOVE 0 UP TO AND INCLUDING 1,000	1	1	-
ABOVE 1,000 UP TO AND INCLUDING 5,000	15	58,702	0.54%
ABOVE 5,000 UP TO AND INCLUDING 10,000	28	213,342	1.97%
ABOVE 10,000 UP TO AND INCLUDING 100,000	120	3,842,305	35.53%
ABOVE 100,000	15	6,699,603	61.95%
Totals	**179**	**10,813,953**	**100.00%**

Performance Rights

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	-	-	-
ABOVE 100,000	1	1,000,000	100.00%
Totals	**1**	**1,000,000**	**100.00%**

NUTRITIONAL GROWTH SOLUTIONS LTD.

ADDITIONAL INFORMATION AS PER ASX LISTING RULES

Number of Holders Holding Less than a Marketable Parcel as at 16 March 2022

There are 106 holders with an unmarketable parcel with a total of 211,848 fully paid ordinary shares, amounting to 0.18% of Issued Capital.

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 Lee Tamplin is the person responsible for communications with the ASX.

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

Israel
3 Hanechoshet Street
Tel Aviv 6971068
Israel

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

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

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

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

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

Number of Securities Restricted or Subject to Voluntary Escrow and Date Escrow Ends

Restricted Securities as at 16 March 2022

Security Type	Type of Escrow	Issued Capital
FULLY PAID ORDINARY SHARES	MANDATORY 24 MONTHS FROM LISTING	49,095,953
UNQUOTED OPTIONS	MANDATORY 24 MONTHS FROM LISTING	29,884,716
UNQUOTED PERFORMANCE RIGHTS	MANDATORY 24 MONTHS FROM LISTING	1,000,000

NUTRITIONAL GROWTH SOLUTIONS LTD.

ADDITIONAL INFORMATION AS PER ASX LISTING RULES

Name of Any Person Holding More than 20% in any class of Unquoted Securities:

Mr Brian Leedman holds 100% of the Performance Rights on issue.

Other Information

The Company confirms it has used the cash and assets in a way consistent with its business objectives and consistent with its IPO prospectus.

There is no current on-market buy-back.

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.