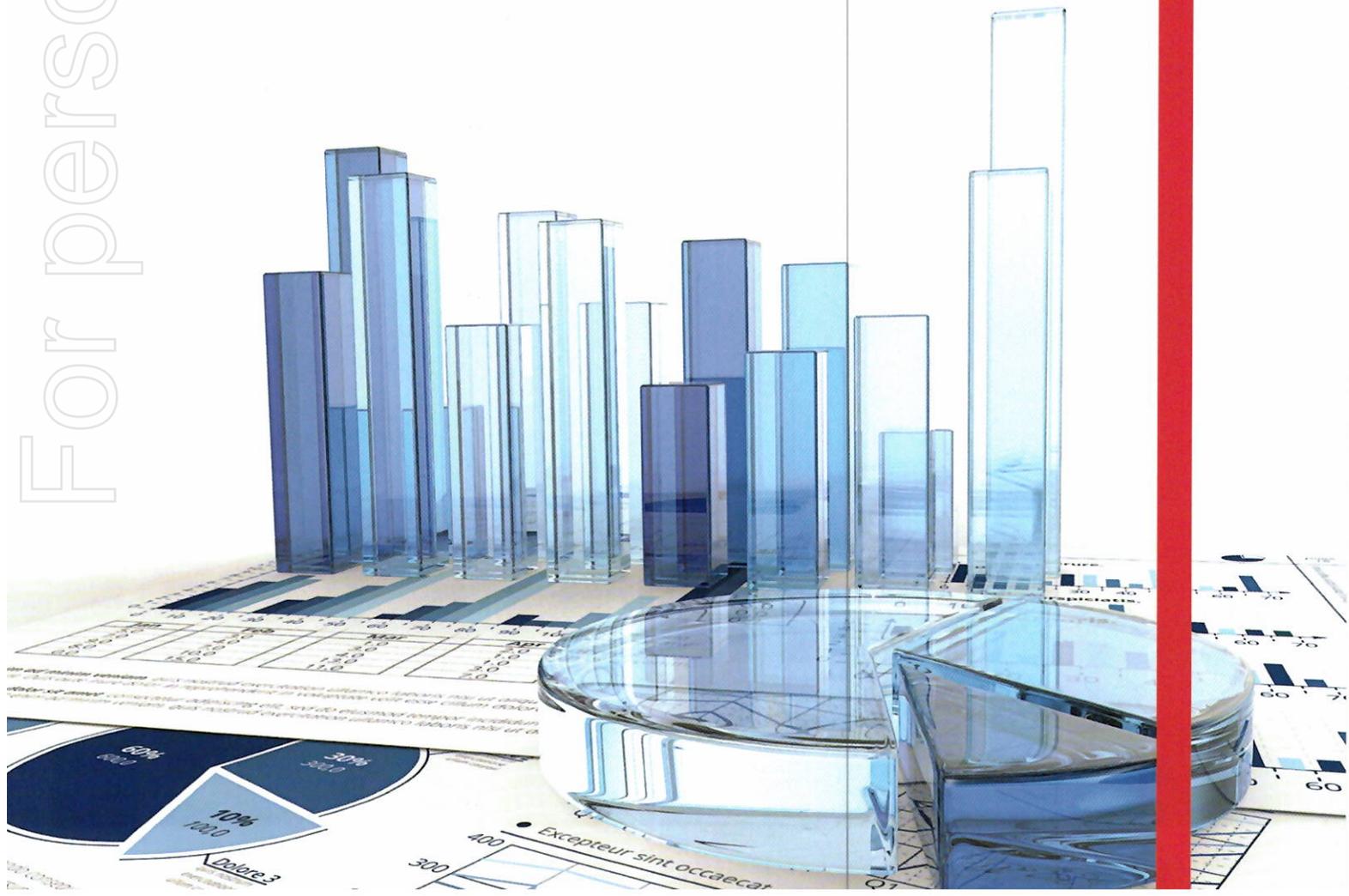


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**NUTRITIONAL GROWTH SOLUTIONS LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2025**



**NUTRITIONAL GROWTH SOLUTIONS LTD.**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent auditors' statement to shareholders	1-3
Consolidated statements of financial position	4-5
Consolidated statements of comprehensive income	6
Consolidated statements of changes in shareholders' equity (deficit)	7
Consolidated statements of cash flows	8-9
Notes to the consolidated financial statements	10-30

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

### **Opinion**

We have audited the accompanying consolidated financial statements of Nutritional Growth Solutions Ltd. (the "Company"), which comprise the statements of financial position as of December 31, 2025, the related statements of comprehensive income, changes in equity (deficit) and cash flows for the year ended December 31, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025, its financial performance and its cash flows for the year ended December 31, 2025 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 audit 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 audit 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 1,693 during the year ended December 31, 2025, and generated USD 20,708 of accumulated deficit since inception. 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. 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.

### **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, 2025, 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 Audit of the Consolidated Financial statements**

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

As part of the audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit 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 audit 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Meirav Goldman  
Partner  
Tel-Aviv, Israel  
March 23, 2026

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



**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(US Dollar in thousands)

	<u>Note</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents		517	31
Trade receivables		68	79
Other accounts receivable	4	886	35
Inventories	6	<u>313</u>	<u>548</u>
<b>Total current assets</b>		<u><b>1,784</b></u>	<u><b>693</b></u>
<b>Non-current assets:</b>			
Right of use asset, net	5	-	13
Property, plant and equipment, net		<u>-</u>	<u>3</u>
<b>Total non-current assets</b>		<u>-</u>	<u><b>16</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>1,784</b></u></u>	<u><u><b>709</b></u></u>

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

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(US Dollar in thousands)**

	Note	December 31, 2025	December 31, 2024
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Trade payables		769	471
Short term lease liability		-	11
Derivative financial liability	9	338	86
Short term loans	8	127	151
Other accounts payable	7	261	693
<b>Total current liabilities</b>		<b>1,495</b>	<b>1,412</b>
<b>Shareholders' equity (deficit):</b>	9		
Share capital and premium		20,997	18,312
Accumulated deficit		(20,708)	(19,015)
<b>Total shareholders' equity (deficit)</b>		<b>289</b>	<b>(703)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,784</b>	<b>709</b>

  
 \_\_\_\_\_  
 Manik Pujara  
 Executive Director

*agrover*  
 \_\_\_\_\_  
 Andrew Grover  
 Chairman

March 23, 2026  
 \_\_\_\_\_  
 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)

	<u>Note</u>	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Revenue	10	1,627	2,481
Cost of revenue		<u>1,373</u>	<u>1,670</u>
<b>Gross profit</b>		<u>254</u>	<u>811</u>
Research and development expenses	11	-	223
General and administrative expenses	12	1,329	1,576
Selling and marketing expenses	13	<u>517</u>	<u>1,844</u>
<b>Operating loss</b>		<u>1,592</u>	<u>2,832</u>
Financial expense		309	76
Financial income		<u>208</u>	<u>9</u>
<b>Total comprehensive loss for the year</b>		<u><u>1,693</u></u>	<u><u>2,899</u></u>
Basic and diluted loss per share (cents)	9C	<u><u>0.99</u></u>	<u><u>4.21</u></u>

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)**

	<u>Share capital and premium</u>	<u>Accumulated deficit</u>	<u>Total</u>
<b>Balance at January 1, 2024</b>	15,939	(16,116)	(177)
	-	-	
<b>Changes during the year:</b>	-	-	
Total comprehensive loss	-	(2,899)	(2,899)
Issuance of shares, net	1,376	-	1,376
Conversion of convertible loans and notes into shares	616	-	616
Exercise of options	32	-	32
Share based payment	349	-	349
<b>Balance at December 31, 2024</b>	<u>18,312</u>	<u>(19,015)</u>	<u>(703)</u>
	-	-	
<b>Changes during the year:</b>	-	-	
Total comprehensive loss	-	(1,693)	(1,693)
Issuance of shares, net	750	-	750
Conversion of convertible notes into shares	671	-	671
Receivable from shareholders for issued shares	792	-	792
Shares issued in settlement of liabilities	188	-	188
Exercise of options	165	-	165
Share based payment	119	-	119
<b>Balance at December 31, 2025</b>	<u>20,997</u>	<u>(20,708)</u>	<u>289</u>

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)**

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss for the year	(1,693)	(2,899)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16	11
Amortization of intangible assets	-	20
Non-cash finance costs on convertible instruments	31	17
Share-based payment	119	349
Change in fair value of derivative financial instruments	252	9
Decrease (increase) in trade receivables, net	11	(64)
Increase in other accounts receivable	(59)	(14)
Decrease in inventories	235	133
Increase in trade payables	298	219
Increase (decrease) in other accounts payable	(244)	271
Change in fair value of convertible loans and notes	-	23
<b>Net cash used in operating activities</b>	<u>(1,034)</u>	<u>(1,925)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Receipts of convertible loans and notes	640	576
Issuance of shares for cash, net of costs	750	1,376
Exercise of options	165	32
Lease Payments	(11)	(11)
Receipts (repayment) of loans, net	(24)	(189)
<b>Net cash from financing activities</b>	<u>1,520</u>	<u>1,784</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	486	(141)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>31</u>	<u>172</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>517</u></u>	<u><u>31</u></u>

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)**

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
<b>APPENDIX B – NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
Receivable from shareholders for issued shares (See also note 4)	792	-
Conversion of convertible debt into shares	657	616
Shares issued in settlement of liabilities	188	-
Interest on convertible notes settled in shares	14	-
Recognition of right of use assets and lease liabilities	-	12

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

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**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 Hanechoset 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 paediatric 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.
- C. The Group incurred a net loss of USD 1,693 for the year ended December 31, 2025, and has generated USD 20,708 of accumulated deficit since inception. 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. Management intends to address this uncertainty through capital raising initiatives, revenue growth and ongoing cost reduction programs. 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 Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, except for derivative financial liabilities (warrants) and convertible notes. The Company has elected to present 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.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**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.

**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.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**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 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.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**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 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.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**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-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 9B. 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.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

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

**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 labour.

**Research and development costs**

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditures are 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, 2025 and 2024, expenses were not capitalized, as they do not meet the criteria set forth in IAS 38.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

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

**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. The following amendments are effective for the annual reporting period beginning January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and 9)
- Annual Improvements to IFRS Accounting Standards — Volume 11

The following standards and amendments are effective for the annual reporting period beginning January 1, 2027:

- IFRS 18 Presentation and Disclosure in Financial statements

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

*IFRS 18 Presentation and Disclosure in Financial statements*, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including *IAS 8 Basis of Preparation of Financial statements* (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

**NOTE 3 - CRITICAL ACCOUNTING ESTIMATES:**

**Share based payment**

The Group has a share-based remuneration scheme for employees and suppliers. In 2025 and 2024 the fair value of share options was estimated by using a Black-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 share price, on the date of grant based on certain assumptions. Those conditions are described in Note 9B 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.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 4 - OTHER ACCOUNTS RECEIVABLE:**

	<u>2025</u>	<u>2024</u>
Receivable from shareholders for issued shares (*)	792	-
Government institutions	86	5
Prepaid expenses	6	28
Deposit	<u>2</u>	<u>2</u>
<b>Total</b>	<u>886</u>	<u>35</u>

(\*) Receivable from shareholders represents amounts due from investors relating to shares issued under capital raisings completed during the year ended December 31, 2025. The amounts were received in full subsequent to the reporting date.

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT**

During the year ended December 31, 2025 the Group did not hold material property, plant and equipment. The remaining balances were fully depreciated or disposed of during the year.

**NOTE 6 - INVENTORIES:**

	<u>2025</u>	<u>2024</u>
Finished goods	313	457
Raw materials	<u>-</u>	<u>91</u>
	<u>313</u>	<u>548</u>

**NOTE 7 - OTHER ACCOUNTS PAYABLE:**

	<u>2025</u>	<u>2024</u>
Accrued expenses	184	527
Credit cards	62	41
Liability to royalties payable	-	125
Others	<u>15</u>	<u>-</u>
	<u>261</u>	<u>693</u>

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 8 - SHORT TERM LOANS:**

In 2025, the Company had two pre-existing short-term loan agreements and in 2024, the Company has entered into 3 short-term loan agreements with financial institutions to support its operational and working capital requirements. In addition, the Company entered an interim, unsecured loan facility with A22 Pty Ltd to provide short-term working capital. 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 USD 82 thousand was obtained in 2024. The loan is repaid in daily repayments over 10 months, bears an average interest rate of 15.82% per annum. Repayments method: a 25% 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. The loan was repaid in 2025.
2. Loan for the principal amount of \$140 thousand was obtained in 2024. The loan is repaid in daily repayments over 9 months, bears an average interest rate of 18.32% per annum. Repayments method: a 13% of the Company's weekly specific sales amount on its website is remitted to the lender until the lender has received the full agreed amount. The loan was repaid in 2025.
3. Loan with principal amount of USD 88 bearing an effective annual interest rate of approximately 15.36%. The loan is repaid through daily remittances calculated as 25% of the Company's online sales.
4. A loan with a principal amount of USD 120 and a capital fee of USD 17. Total repayments of USD 137 are made through daily remittances equal to 15% of online sales until the loan is fully repaid.
5. Loan with principal amount of AUD 100 thousand (USD 67) provided by A22 Pty Ltd, a related entity of Director Mr. Andrew Grover. The loan is unsecured, bears no interest and was fully repaid subsequent to the reporting date and prior to the issuance of the financial statements.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 9 - SHAREHOLDERS' EQUITY:**

**A. Share capital:**

The Company's authorised share capital consists of ordinary shares with a par value of NIS 0.01 each. All issued shares are fully paid and carry equal voting rights.

1. Exercise of options

On January 14, 2025, the Company issued 6,250,000 ordinary shares following the exercise of options by investors and directors at an exercise price of AUD 0.04 per share.

Total proceeds received were AUD 250 thousand (USD 165).

2. Convertible notes issued and subsequently converted

On April 28, 2025, the Company issued convertible notes totalling AUD 1,000 thousand (USD 640).

The convertible notes accrued interest at 12% per annum and were convertible into ordinary shares of the Company at a conversion price of AUD 0.025 per share.

In connection with the convertible note financing, the Company issued 52,000,000 unlisted options (NGSOPT14) with an exercise price of AUD 0.04 per share and an expiry date of August 11, 2028.

On July 1, 2025, the Company issued a further 4,000,000 unlisted options (NGSOPT15) to the lead broker as part of the financing arrangement. These options have an exercise price of AUD 0.04 per share and expire on July 1, 2028.

These options are classified as derivative financial liabilities and are measured at fair value through profit or loss. Further details are disclosed in Note 17.

On July 1, 2025, the convertible notes were converted into 40,000,000 ordinary shares of the Company at a conversion price of AUD 0.025 per share.

In addition, 684,935 ordinary shares of the Company were issued in settlement of accrued interest on the convertible notes.

The total fair value recognised for the conversion of the notes and accrued interest was USD 671.

3. August 2025 share placement

On August 21, 2025, the Company issued 38,000,000 ordinary shares to institutional and sophisticated investors at an issue price of AUD 0.02 per share. Total proceeds were AUD 760 thousand (USD 497) before issuance costs.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 9 - SHAREHOLDERS' EQUITY (CONT.):**

4. Shares issued to supplier in settlement of liabilities and shares issued to employees

On December 24, 2025, the Company issued 20,674,833 ordinary shares of the Company to employees and service providers in consideration for services rendered to the Company.

The shares were issued at prices ranging between AUD 0.02176 and AUD 0.03 per share, representing a total fair value of AUD 461 thousand (USD 307).

5. December 2025 share placement

On December 24, 2025, the Company issued 100,000,000 ordinary shares following shareholder approval at the General Meeting held on December 23, 2025. The shares were issued at an issue price of AUD 0.02 per share. Total consideration for the placement amounted to AUD 2,000 thousand (USD 1,333) before issuance costs of approx USD 80.

As at December 31, 2025, AUD 1,190 thousand (USD 792) of subscription proceeds relating to these shares had not yet been received and was recorded as receivable from shareholders. The outstanding amounts were received subsequent to the reporting date. See also Note 4.

In connection with the placement, the Company issued 25,000,000 unlisted options (NGSOPT16) with an exercise price of AUD 0.025 per share and an expiry date of December 29, 2028.

These options are classified as derivative financial liabilities and are measured at fair value through profit or loss. Further details are disclosed in Note 17.

6. Share Capital Reconciliation

	<u>Shares</u>
Shares outstanding at January 1, 2025	127,483,439
Options exercised	6,250,000
Conversion of convertible notes	40,000,000
Interest on convertible notes settled in shares	684,935
August 2025 Placement	38,000,000
Shares issued to employees	5,959,775
Shares issued to supplier in settlement of liabilities	14,715,058
December 2025 placement	<u>100,000,000</u>
Shares outstanding at December 31, 2025	333,093,207

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 9 - SHAREHOLDERS' EQUITY (CONT.):**

Share Capital Reconciliation (CONT.)

	<u>Shares</u>
Shares outstanding at January 1, 2024	24,850,745
Issuance of shares	<u>102,632,694</u>
Shares outstanding at December 31, 2024	127,483,439

7. Additional disclosure

Proceeds from share issuances disclosed above are presented before issuance costs.

Cash proceeds recognised in the statement of cash flows are presented net of issuance costs and exclude amounts receivable from investors at year end.

Equity settled share based compensation of USD 119 is presented as share based payment expense in the statement of comprehensive income and therefore is not classified as a financing activity.

**B. Share based payment:**

1. On January 14, 2025, 1,250,000 options were exercised at a price of AUD 0.04.

The options and performance rights to employees, officers and consultants outstanding as of December 31, 2025 and 2024 are comprised, as follows:

	<b>2025</b>	
	<b>Number of options</b>	<b>Weighted average Exercise price</b>
Outstanding at beginning of year	5,363,572	\$0.32
Expired	(2,788,572)	-
Exercised	(1,250,000)	\$0.04
Outstanding at end of year	1,325,000	\$1.14
Exercisable options	1,325,000	\$1.14

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 9 - SHAREHOLDERS' EQUITY (CONT.):**

**B. Share based payment (CONT.):**

	<b>2024</b>	
	<b>Number of options (*)</b>	<b>Weighted average Exercise price</b>
Outstanding at beginning of year	4,613,572	\$0.28
Exercised	(1,250,000)	\$0.26
Granted	2,000,000	\$0.2
Outstanding at end of year	5,363,572	\$0.248
Exercisable options	5,282,117	\$0.32

\*After giving effect to the reverse stock split occurred on July 19, 2024.

**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:

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
Loss for the year	(1,693)	(2,899)
Weighted average number of ordinary shares	170,853,185	68,860,677
Basic and diluted loss per share (cents)	0.99	4.21

**NOTE 10 - REVENUE:**

**Revenue by geographical location**

	<b>Year ended December 31,</b>			
	<b>2025</b>		<b>2024</b>	
	%		%	
United States	99%	1,618	99%	2,465
Rest of the world	1%	9	1%	16
	100%	1,627	100%	2,481

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 11 - RESEARCH AND DEVELOPMENT EXPENSES:**

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Subcontractors	-	223
Payroll and related benefits	-	-
	<u>-</u>	<u>223</u>

In 2024, all research and development related expenses were incurred through subcontractors.

**NOTE 12 - GENERAL AND ADMINISTRATIVE EXPENSES:**

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Professional fees	832	841
Salary and related expenses	247	399
Director fees	192	-
Share based payment	42	335
Depreciation	<u>16</u>	<u>1</u>
	<u>1,329</u>	<u>1,576</u>

**NOTE 13 - SELLING AND MARKETING EXPENSES:**

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Advertising expenses	339	1,229
Share based payment	77	14
Salary and related expenses	51	359
Subcontractors	-	186
Others	<u>50</u>	<u>56</u>
	<u>517</u>	<u>1,844</u>

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 14 - TAXES ON INCOME:**

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

Israeli corporate tax rates are 23% in 2025 and 2024. The Company in Israel has final tax assessments until 2018.

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

The U.S. subsidiary incorporated in 2017 and is subject to local corporate tax in the United States. In 2025 the federal rate applicable was 21% (2024 – 21%). As of December 31, 2025, the U.S. subsidiary has not received any final tax assessments with respect to previous years.

**3. Tax reconciliation:**

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
Loss before taxation	(1,693)	(2,899)
Theoretical tax credit at applicable statutory 2025 & 2024: 23%	(389)	(667)
Effect of the different tax rate in the U.S.	34	58
Temporary differences and tax losses for which no deferred tax asset is recognized	128	587
Non-allowable expenses	227	22
Tax on income	-	-

**4. Net operating losses carry forwards:**

As of December 31, 2025, the Company has estimated carry forward tax losses of approximately 20,708 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.

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES:**

**Liability for royalties payable**

The Group was 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 was obligated to 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 payable were not to exceed 100% of the grant received.

During the year ended December 31, 2025, the Group derecognised the royalty liability in full, derecognition reflects the following:

U.S. program: The 5-year measurement period for U.S. sales commenced December 31, 2017 and concluded during 2025. As the Group did not generate the level of incremental U.S. sales required to trigger royalty obligations under the program, the liability of USD 125 was no longer supportable and was reversed.

China program: Although the China program commenced December 31, 2021 with approximately 6 months remaining in the measurement period, the Group has never conducted sales to China. No liability was ever recognised in respect of the China program, and no future obligation is expected to arise.

As of December 31, 2025, the total royalty liability is nil (December 31, 2024: USD 125).

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 16 - 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**

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
Subcontractors and consulting expenses (research and development, general and administrative)	-	466
Payroll and related benefits including management fees	244	387
Management fees	64	-
Share based payment	42	343
Revenue received from related party	-	16

**Payable to related parties**

<b>Name</b>	<b>Nature of transaction</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Related party	Management fees	140	369
Loan from related party	Loan from related party	67	-
Related party	Payroll and related benefits	14	-

**Receivables from related parties**

<b>Name</b>	<b>Nature of transaction</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Related party	Revenues from related party	-	4

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**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 17 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT:**

**A. Financial Risk Management:**

The Group is exposed to financial risks arising from its financial instruments including credit risk, liquidity risk and foreign currency risk. The Group's principal financial instruments include cash and cash equivalents, trade receivables, other receivables, trade payables, short term loans and derivative financial liabilities.

The carrying values of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables approximate their fair values due to the short term nature of these instruments.

Derivative financial liabilities relate to options issued in connection with financing arrangements.

**B. Derivative financial liabilities:**

During the year ended December 31, 2025 the Company issued options in connection with financing arrangements including convertible note financing and equity placements. As the exercise price is denominated in a currency different from the Company's functional currency, the options fail the "fixed for fixed" criterion under IAS 32 and are therefore classified as derivative financial liabilities. Accordingly the options are classified as derivative financial liabilities and are measured at fair value through profit or loss in accordance with IFRS 9.

The fair value of the derivative liabilities is determined using the Black-Scholes option pricing model.

Changes in fair value are recognised in the consolidated statement of comprehensive income.

Items carried at fair value as of December 31, 2025 are classified in the table below:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Opening balance	86	-
Change in fair value	252	86
Closing balance	338	86

Equity classified share options exercised during the year are disclosed in Note 9 and do not form part of the derivative financial liability movement.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**C. Fair value hierarchy:**

Financial instruments measured at fair value are classified according to the following hierarchy.

Level 1 - quoted prices in active markets

Level 2 - observable inputs other than quoted prices

Level 3 - unobservable inputs

The derivative financial liabilities are classified as Level 3 as the valuation relies on inputs such as volatility assumptions and expected life.

	<b>Level 3</b>
Derivative financial liabilities 2025	338
Derivative financial liabilities 2024	86

**D. Credit risk**

The Group's maximum exposure to credit risk is represented by the carrying amount of its financial assets.

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash and cash equivalents	517	31
Trade receivables	68	79
Other receivables	794	35

**E. Liquidity Risk**

Liquidity risk arises when the maturity of financial liabilities differs from available liquid assets.

The Group manages liquidity risk by maintaining sufficient cash balances and monitoring forecast cash flows.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 18 – CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:**

The following table reconciles the carrying amounts of liabilities arising from financing activities, including both cash and non-cash changes, as required by IAS 7.44A:

	<u>Short term</u> <u>loans</u>	<u>Convertible</u> <u>notes</u>	<u>Lease</u> <u>liability</u>	<u>Derivative</u> <u>liability</u>	<u>Total</u>
<b>1 January 2025</b>	<b>151</b>	-	<b>11</b>	<b>86</b>	<b>248</b>
	-	-	-	-	-
<b>Cash flows:</b>					
Proceeds	67	640	-	-	707
Repayments	(91)	-	(11)	-	(102)
<b>Non-cash changes:</b>	-	-	-	-	-
Conversion to equity	-	(657)	-	-	(657)
Change in fair value	-	-	-	252	252
FX and other	-	17	-	-	17
<b>31 December 2025</b>	<b>127</b>	-	-	<b>338</b>	<b>465</b>

Convertible notes:

On April 28, 2025, the Company issued convertible notes totalling USD 640. On July 1, 2025, the notes were converted into 40,000,000 ordinary shares at a carrying value of USD 657. The USD 17 difference represents foreign exchange movements between the issuance and conversion dates.

Derivative financial liabilities:

Relates to unlisted options issued in connection with financing arrangements (see Note 17). During the year, 81,000,000 options were issued across three tranches (NGSOPT14, NGSOPT15, NGSOPT16). The options are classified as derivative financial liabilities and measured at fair value through profit or loss in accordance with IFRS 9. The net increase of USD 252 represents new options issued during the year offset by fair value changes on all outstanding options. No cash was paid or received in respect of derivative financial liabilities.

Lease liability:

The remaining lease obligation was fully settled during the year through cash payments of USD 11.

**NUTRITIONAL GROWTH SOLUTIONS LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

Short term loans:

The Company received USD 67 in new borrowings from A22 Pty Ltd (a related party) and made net repayments of USD 91 on existing facilities with Amazon Lending and Shopify Capital. See Note 8 for further details.

Non-cash financing and investing activities are separately disclosed in Appendix B to the Statement of Cash Flows.

**NOTE 19 - SUBSEQUENT EVENTS:**

There have been no material events subsequent to 31 December 2025 that have not previously been reported.