

APPENDIX 4E

For the year ended 31 December 2024

1. Company information

Name of entity: Nutritional Growth Solutions Ltd.

ARBN: 642 861 774

Reporting period: For the year ended 31 December 2024

Previous period: For the year ended 31 December 2023

(All amounts in the following appendix are stated in thousand US dollars, unless stated otherwise)

2. Results for announcement to the market

		31 December 2024 US\$	% change from year ended 31 December 2023	31 December 2023 US\$
Revenue from ordinary activities	down	2,481	-17%	2,984
Loss from ordinary activities after tax	down	(2,544)	11%	(2,893)

Commentary

The loss for the consolidated entity after providing for income tax amounted to \$2,544 including a non-cash finance expenses of \$75 in connection share-based payment made during the reporting period.

In 2024, the company showed 17% revenue decline in the United States and a 11% decline in revenue in the Rest of the world – a total of 17% revenue decrease.

No dividend has been proposed or declared for the reporting period, and it is not proposed to pay a dividend for the reporting period.

3. Consolidated statement of profit or loss and other comprehensive income

Refer to appendix.

4. Consolidated statement of financial position

Refer to appendix.

5. Consolidated statement of cash flows

Refer to appendix.

6. Consolidated statement of changes in equity

Refer to appendix.

7. Dividend information

No dividend or distribution has been proposed or declared for the reporting period, and it is not proposed to pay a dividend or distribution for the reporting period.

8. Details of dividend reinvestment plans

There is no dividend or distribution reinvestment plan in operation.

9. Net Tangible Assets Per Security

	31 December 2024 cents	31 December 2023 cents
Net tangible assets per security (cents)	(0.01)	(0.01)

10. Details of entities over which control has been gained or lost during the period

None.

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11. Details of associates and joint ventures

None.

12. Any other significant information

Capital raise on the ASX

On 4 July, 2024 the Company raised AUD 1.525million (approximately gross US\$1,031,000) before costs via a share Placement to new institutional and sophisticated investors as well as existing shareholders. Under the Placement the Company issued 508,333,333 new ordinary shares.

In addition, 161,040,183 Loan Note Shares were issued for funds received (AUD 475,000) and 156,953,423 Convertible Note Shares for funds received and interest (AUD 400,000).

7,500,000 Advisor Shares and 20,000,000 Director Options were issued. The stock options were vested upon issuance and exercisable until 18 July, 202 at a price per option of AUD .004 commencing issuance date and will expire upon the elapse of the term.

Subsequent to the capital raise, a 10 to 1 consolidation (“Reverse Stock Split”) was executed on 8 July, 2024.

On 23 October 2024, the Company raised AUD 540,000 (approximately gross US\$353,000) before costs via a share placement with existing shareholders. Under the placement the company issued 18,000,000 new ordinary shares and 9,000,000 options with exercise price per option of \$0.04 expiring in 3 years.

13. Foreign entities

The Parent Company of the group was established under the corporate law in Israel and has a fully owned US subsidiary incorporated under the corporate law of Delaware. The financial statements of the Group are prepared in its functional currency, the US-Dollar, and are prepared according to IFRS Accounting Standards.

14. Commentary of results for the period

Returns to shareholders

Not applicable.

Results overview

Revenue for the year amounted to US\$2,481,000 (31 December 2023: US\$2,984,000), reflecting 17% pcp negative growth.

The Group reported a net loss for the year ended 31 December 2024 of \$2,544,000 (31 December 2023: loss of \$2,893,000), reflecting the Company's investment in increasing e-commerce sales, development of new sales channels and R&D.

Gross Margin for the year was 33% (31 December 2023 28%) reflecting the transitory inflation result of increases in shipping costs to distribution centers and customers, along with increases in certain raw materials used in production during 2024.

Loss due to expenses were improved in Sales and Marketing by reducing staff and lowering social media marketing spend while focusing advertising on distribution channels to customers.

The Group remains in a cash position, with a closing cash balance at 31 December 2024 of US\$31,000 (31 December 2023: US\$172,000).

This report is based on accounts which are in the process of being audited.

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Appendix: Consolidated statement of profit or loss and other comprehensive income

	Year ended December 31, 2024	Year ended December 31, 2023
Revenue	2,481	2,984
Cost of revenue	1,670	2,142
Gross profit	811	842
Research and development expenses	224	293
General and administrative expenses	1,209	1,374
Selling and marketing expenses	1,856	2,246
Operating loss	2,478	3,071
Financial expense	75	71
Financial income	9	249
Loss before tax	2,544	2,893
Taxes on income	-	-
Total comprehensive loss for the year	2,544	2,893
Basic and diluted loss per share	\$ (0.04)	\$ (0.11)

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Appendix: Consolidated statement of financial position

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	31	172
Trade receivables	79	15
Other accounts receivable	35	21
Inventories	548	681
Total current assets	693	889
Non-current assets:		
Intangible assets	-	20
Right of asset use, net	13	22
Property, plant and equipment, net	3	5
Total non-current assets	16	47
TOTAL ASSETS	709	936
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade account payables	471	252
Lease liability	11	11
Derivative financial liability	86	77
Loans	151	340
Other account payables	648	422
Total current liabilities	1,367	1,102
Non-current liabilities:		
Long term lease liability	-	11
Total non-current liabilities	-	11
Shareholders' equity:		
Share capital and premium	18,002	15,939
Retained earnings (losses)	(18,660)	(16,116)
Total shareholders' equity	(658)	(177)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	709	936

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Appendix: Consolidated statement of cash flows

	Year ended December 31, 2024	Year ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(2,544)	(2,893)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	11	39
Interest paid	-	2
Amortization of intangible assets	20	20
Decrease (increase) in trade receivables, net	(64)	67
Decrease (increase) in other accounts receivable	(14)	45
Increase in inventories	133	596
Increase in trade accounts payables	219	9
Increase (decrease) in other accounts payables	226	(114)
Share-based payment	39	50
Change in fair value of convertible loans and notes	23	-
Change in fair value of derivative-warrants	9	(195)
Financial expenses, net	17	27
Net cash used in operating activities	(1,925)	(2,347)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on lease liabilities	(11)	(38)
Receipts of convertible loans	576	-
Issuance of shares, net	1,379	696
Exercise of options	29	-
Receipts of Loan, net (Repayment)	(189)	340
Net cash provided by financing activities	1,784	998
Net decrease in cash and cash equivalents	(141)	(1,349)
Cash and cash equivalents at the beginning of the year	172	1,521
Cash and cash equivalents at the end of the year	31	172

(*) represents amount less than US\$1K

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Year ended December 31, 2024	Year ended December 31, 2023
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APPENDIX B – NON-CASH FINANCING AND INVESTING ACTIVITIES:

Conversion of convertible loan into shares	616	-
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Appendix: Consolidated statement of changes in equity

	Share capital and premium	Retained earnings (losses)	Total
Balance at January 1, 2023	15,298	(13,223)	2,075
Changes during the year:			
Total comprehensive loss	-	(2,893)	(2,893)
Issuance of shares, net	591	-	591
Share based payment	50	-	50
Balance at December 31, 2023	<u>15,939</u>	<u>(16,116)</u>	<u>(177)</u>
Changes during the year:			
Total comprehensive loss	-	(2,544)	(2,544)
Issuance of shares, net	1,379	-	1,379
Conversion of convertible loan into shares	616	-	616
Exercise of options	29	-	29
Share based payment	39	-	39
Balance at December 31, 2024	<u>18,002</u>	<u>(18,660)</u>	<u>(658)</u>

(*)represents amount less than US\$1K

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Audit

These accounts are currently in the process of being audited. Actual audited numbers may be different from these appendix. The annual report for the year ending on 31/12/2024 containing the audit report shall be provided in a due course.

NOTE 1 - GENERAL:

- i. 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.
- ii. The Company and its subsidiary (together, the "Group") develops, produces (outsourcing manufacturing) and sells clinically tested protein supplements for children – commercializing the intellectual property generated by years of medical research into paediatric nutrition.
- iii. The Group 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 7,000,000 (approximately 5,005) pursuant to the offer by the issuance of 35,000,000 shares at an issue price of AUD 0.20 per share. Issuance expenses amounted to 593.
- iv. On August 2021, the Company completed a follow-on public capital raise in ASX upon which the Company raised gross AUD 5,000,000 (approximately gross US\$3,623). The new shareholders received 23,255,814 new ordinary shares plus 5,813,953 stock options. As part of the capital raise, the Company issued to the lead broker 5,000,000 stock options. The stock options are vested upon issuance and exercisable till November 2023 at a price per option of AUD 0.27 commencing issuance date and will expire upon the elapse of the term.