

NUTRITIONAL GROWTH SOLUTIONS LTD

ARBN 642 861 774

PROSPECTUS FOR THE ISSUE OF OPTIONS

For an offer of up to 80,000,000 New Listed Options to the Placement Participants and Lead Manager

THIS OFFER CLOSSES AT 5PM AEST ON Monday 28 August 2023

APPLICATIONS TO BE SUBMITTED IN PAPER FORM OR ONLINE VIA:
<https://investor.automic.com.au/#/home>

NO APPLICATION MONIES ARE PAYABLE FOR THE GRANT OF OPTIONS

THE OFFER IS NOT UNDERWRITTEN

THIS PROSPECTUS IS A TRANSACTION SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH SECTION 713 OF THE CORPORATIONS ACT

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU HAVE ANY QUESTIONS ABOUT THE OPTIONS BEING OFFERED UNDER THIS PROSPECTUS, OR ANY OTHER MATTER RELATING TO AN INVESTMENT IN THE COMPANY, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER. THE NEW LISTED OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

THIS DOCUMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA OR TO US WIRE SERVICES AND IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES OF AMERICA, OR TO, FOR THE BENEFIT OR ON THE ACCOUNT OF A US PERSON WITHOUT THE US WRAP. THE SHARES REFERRED TO IN THIS PROSPECTUS HAVE NOT AND WILL NOT BE REGISTERED UNDER US SECURITIES ACT, MAY NOT BE OFFERED, SOLD TO, ON BEHALF OF OR FOR THE BENEFIT OF, A US PERSON, AND NO PUBLIC OFFERING WILL BE MADE IN THE UNITED STATES OF AMERICA.

Directors and Management	
Dave Fenlon	Chairman
Stephen Turner	CEO
Raanan Shamir	Executive Director
Peter Osborne	NED
Rachel Hirsch	NED
Guy Khavia	NED
Company Secretary	
Lee Tamplin	
Registered office	
C/- Tel-Zur & Co. 7 Metsada St. (B.S.R Tower 4, 19th floor), Bnei Brak , Israel	
Registered Local Agent*	
c/- Automic Group, L5, 126 Phillip Street Sydney NSW 2000	
Stock Exchange Listing	
Australian Securities Exchange ASX Code: NGS	
Company Website	
http://www.ngsolutions.co	
Share Registry*	
Automic Group L5, 126 Phillip Street Sydney NSW 2000 Telephone:1300 288 664 (within Australia) +61 2 9698 5414 (international)	
Lead Manager*	
Molo Capital a Corporate Authorised Representative of BR Securities Australia Pty Ltd holder of an Australian Financial Services Licence (AFSL No. 456663)	
Auditors*	
BDO Ziv Haft Amot House, 48 Menachem Begin Road Tel Aviv, Israel	
Lawyers to the Company - Israel	
Tel-Zur & Co. 7 Metsada St. (B.S.R Tower 4, 19th floor), Bnei Brak , Israel	
Lawyers to the Company - Australia	
K&L Gates Level 25, 525 Collins Street Melbourne, Victoria 3000	
* These parties included for information purposes only. They have not been included in the preparation of this Prospectus.	

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IMPORTANT NOTICES

This Prospectus is issued by NUTRITIONAL GROWTH SOLUTIONS LTD ARBN 642 861 774 (**Company**) in relation to an offer of 1 Option for every 2 Shares taken up under the Placement and Options to the Lead manager as part consideration for the services provided by the Lead Manager with respect to the Placement.

This Prospectus does not provide financial product or investment advice - you should seek your own professional investment advice.

This Prospectus is dated Wednesday 9 August 2023 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No New Listed Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

Obtaining Prospectus and Application Form

This Prospectus will generally be made available in electronic form at www.asx.com.au and will be posted on the Company's website at www.ngsolutions.co or at the office of the local registered agent of the Company at c/- Automic Group, L5, 126 Phillip Street, Sydney NSW 2000, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.3).

The electronic version of this Prospectus is not available to persons in the United States or elsewhere outside Australia and New Zealand. Options will only be issued on the basis of an electronic version of this Prospectus if the Company or Automic has received a valid Application Form.

The Offer detailed in this Prospectus is only available to persons receiving this Prospectus that participated in the Placement or the Lead Manager. Applications will only be accepted on the relevant Application Form submitted in paper by following the instructions on the Application Form or online via <https://investor.automic.com.au/#/home>. If requested, the Share Registry can provide personalised paper Application Forms that will set out the entitlement for each Placement participant.

The Corporations Act prohibits any person from passing on to another person an Application Form unless it is attached to, or accompanied by, a paper version of this Prospectus or a complete and unaltered electronic version of this Prospectus.

An Application for New Listed Options will only be accepted by following the instructions on the Application Form. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided with the electronic Prospectus and any relevant supplementary or replacement prospectus, or any of those documents were incomplete or altered.

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the New Listed Options offered by this Prospectus.

These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in Section 3 of this Prospectus. Forward looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

Financial amounts and times

A reference to time in this Prospectus is to Sydney time unless otherwise stated. A reference to \$, A\$, dollars and cents is to Australian currency unless otherwise stated. Some numbers in this Prospectus have been rounded.

Overseas Shareholders

No action has been taken to permit the offer of New Listed Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Listed Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

On-sale of Shares

This Prospectus has been prepared in respect of the offer of the New Listed Options such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if the Options are issued with disclosure under this Prospectus then any Shares issued upon the exercise of the Options can be on-sold within 12 months of their issue (even if the Shares were issued without disclosure or lodgement of a cleansing statement). This is because the Options are issued with disclosure and the exercise of the Option does not involve any further offer.

No exposure period

The Offer is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Options in the seven calendar day period after the date of lodgement of this Prospectus with ASIC.

Risk Factors

The New Listed Options offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks. This Prospectus may contain forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors.

Non-IFRS financial measures

Certain financial data included in, or incorporated by reference into, the Prospectus are non-IFRS financial information under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) or non-GAAP financial measures under Regulation G issued by the US Securities and Exchange Commission. These non-IFRS/non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although the Company believes any non-IFRS/non-GAAP financial measures included in this Prospectus provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS/non-GAAP financial measures included in this Prospectus.

Pro forma financial information

The Prospectus contains pro forma financial information showing the proposed application of the proceeds of the Options Issue. The pro forma financial information provided is for illustrative purposes only and should not be relied upon as it is not represented as being indicative of the Company's future financial condition and/or performance.

Company's website

Any references to documents included on the Company's website are provided for convenience only and none of the documents or other information on the website is incorporated by reference as content of this Prospectus.

Offering restrictions

This Prospectus and an Application Form do not constitute an offer in any place or country in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Options in any jurisdiction other than Australia and New Zealand. The Prospectus and Application Form will only be available to those with a registered address in Australia or New Zealand. The Offer is not being extended to any Shareholder outside of Australia or New Zealand. The distribution of this Prospectus and an Application Form (including an electronic copy) in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Prospectus does not, and is not intended to, constitute an offer of securities in the United States or any other jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. The New Listed Options and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction

of the United States. Accordingly, the Options and the underlying Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Where can I obtain further information about the Company and the Options?

The Company is a disclosing entity for the purposes of the Corporations Act and as a result is subject to regular reporting and disclosure obligations under the Corporations Act (limited by the fact that it is an Israeli incorporated entity) and ASX Listing Rules. The Company must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about it that a reasonable person would expect to have a material effect on the price or value of its securities. Copies of documents lodged with ASIC and ASX can be obtained from, or inspected at, an ASIC office and can also be obtained from www.ngsolutions.co. In addition, the following information can be obtained from www.ngsolutions.co:

- the Company's quarterly, half-yearly and annual financial reports;
- all continuous disclosure notices lodged by the Company with ASX; and
- all other general information provided by the Company to its Shareholders and investors.

Enquiries

If you have any questions in relation to the Offer, the New Listed Options or the Application Form, please call the Local Agent Representative, Lee Tamplin, on +61 2 8072 1400 between 8:30am to 5:30pm Monday to Friday during the Offer Period.

ACTION REQUIRED BY PLACEMENT PARTICIPANTS

If you are a Placement Participant and you have received this Prospectus you may take one of the following actions:

1. Complete the Application Form to participate in the Offer

Placement Participants will be able to apply for, at no cost, 1 Option for every 2 Shares taken up in the Placement. Fractional entitlements will be rounded to the nearest whole Share.

The New Listed Options are ASX-listed options to acquire Shares in the Company exercisable at \$0.02 per New Listed Option with a three-year term. New Listed Options may be exercised at any time during the period commencing on the date the New Listed Options are issued and ending 3 years from the date the New Listed Options are issued.

Each New Listed Option will, upon exercise, entitle the Option Holder to subscribe for, and be issued with, one Share.

You should read the entire Prospectus and consider all of the risk factors that could affect the performance of the Options or underlying Shares or the Company in light of your own objectives, financial situation and needs before deciding whether to exercise the Options.

Some of the risks that should be considered are set out in Section 2. There may also be risks in addition to those set out in Section 1 that should be considered in light of your personal circumstances.

Completed Application Forms must be received by no later than 5:00pm on Monday 28 August 2023.

You are encouraged to submit your Application Form as early as possible.

2. Do nothing, in which case you will not participate in the Offer

If you do not wish to participate in the Options Issue, you may not be issued any New Listed Options and, upon exercise of the Options, you may be diluted. In that case, the Company may choose to issue options on similar terms to the New Listed Options to you, however they will not be quoted on ASX.

PROPOSED TIMETABLE

Particulars ¹	Date
Shareholder Meeting	Tuesday 25 July 2023
Lodgement of Prospectus with ASIC and provision of copies to ASX	Wednesday 9 August 2023
Opening date of Offer	Thursday 10 August 2023
Closing date of Offer (last date for lodgement of Application Form)	Monday 28 August 2023
Issue of New Listed Options and holding statements	Thursday 31 August 2023
Expected date for Quotation of the New Listed Options	Friday 1 September 2023
Expiry Date of New Listed Options	31 August 2026

1. These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date. As such, the date the New Listed Options are expected to commence trading on ASX may vary.

KEY OPTION DETAILS

Expected ASX code for New Listed Options	TBC
Issue Price	Nil. No monies are payable for the issue of the New Listed Options.
Exercise Price	\$0.02 per Option ¹
Maximum number of New Listed Options on issued under the Prospectus	80,000,000
Number of Shares on issue as at the date of the Prospectus	251,227,397
Maximum proceeds to be raised assuming all New Listed Options are issued and exercised	\$1,600,000

1. Subject to adjustments in accordance with Option Terms.

1. Details of the Offer

1.1 Background to the Offer

On 9 May 2023, the Company announced a capital raising comprised of a placement (**Placement**) to raise up to a total of \$1,200,000 (before costs) through the issue of 100,000,000 Shares at \$0.012 per Share and 50,000,000 listed Options (exercisable at \$0.02 with an expiry 3 years from the issue date) (**New Listed Options**) to sophisticated and professional investors (**Capital Raising**), in addition to the issue of 200,000 Shares to The Market Bull in satisfaction of services provided and a further 30,000,000 New Listed Options to Molo Capital Limited (**Molo**) as part of their fees with respect to the Capital Raising as further described below.

The Company is precluded from issuing a 'cleansing notice' in respect of the New Listed Options as they are not in a class of securities that were quoted securities at all times in the last 3 months. Consequently, the Company is issuing the New Listed Options pursuant to this Prospectus to those persons who are entitled to receive New Listed Options including arising from their participation in the Placement (**Placement Participants**). This Prospectus has also been issued to facilitate secondary trading of the New Listed Options and any Shares issued on exercise of the New Listed Options to be issued under the Offer.

The Placement was managed by Molo who will receive:

- (a) a cash fee of 6.0% of the capital raised under the Capital Raising;
- (b) \$20,000 management fees; and
- (c) 30,000,000 New Listed Options.

The New Listed Options will be issued on the terms and conditions set out in section 4.3.

All Shares issued on the exercise of the New Listed Options will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 4.2 for further details regarding the rights and liabilities attaching to Shares.

For further details regarding the Capital Raising, refer to the Company's announcements dated 9 May 2023.

1.2 The Offer

This Prospectus invites the Placement Participants to apply for a total of up to 50,000,000 New Listed Options in accordance with their entitlements under the Placement, and additionally, the Lead Manager will be issued 30,000,000 New Listed Options (**Offer**).

All Placement Participants will be sent a copy of this Prospectus, together with an Application Form. Only the Placement Participants can accept the Offer. Refer to Section 1.6 for details on how to apply for New Listed Options.

No funds will be raised from the New Listed Options issued with the Placement as they are free attaching to the Shares on a 1:2 basis, or from the Lead Manager as they form part of the fees of the Lead Manager in relation to the Placement. The Company intends to apply the funds raised from the Capital Raising in accordance with the table set out in Section 3.2.

The Offer is only available to those who are personally invited to accept the Offer. Accordingly, Application Forms will only be provided by the Company to these parties.

All New Listed Options offered under this Prospectus will be issued on the same terms and conditions, as set out in Section 4.3. Subject to the quotation requirements of the ASX Listing Rules, the New Listed Options issued under this Prospectus will form a new class of listed security of the Company.

All Shares issued on exercise of the New Listed Options will rank equally with the Shares on issue at the date of this Prospectus. Refer to section 4.2 for further details regarding the rights and liabilities attaching to Shares.

1.3 Underwriting

The Offer is not underwritten.

1.4 Minimum Subscription

There is no minimum subscription under the Offer.

1.5 Opening and Closing Dates

The Offer will open for receipt of acceptances on Wednesday 9 August 2023.

The Offer will close at 5pm AEST on Monday 28 August 2023 or such later date as the Directors in their absolute discretion and subject to compliance with the Listing Rules, may determine.

1.6 How to accept the Offer

Placement Participants who wish to participate in the Options Issue should complete and submit either a paper Application Form or an electronic Application Form via <https://investor.automic.com.au/#/home> in accordance with the instructions set out on that form. Applications will not be accepted in any other form.

Placement Participants are encouraged to submit their application online and can do so by following these instructions:

Visit <https://investor.automic.com.au>

Login with your existing Username and Password

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

If you have not yet established an online account, visit

<https://investor.automic.com.au/#/signup>

1. Select "Nutritional Growth Solutions Ltd" from the dropdown list in the Issuer Name Field
2. Enter your Holder Reference (SRN/HIN) as shown on your holding statement
3. Enter your postcode OR country of residence (only if outside Australia)
4. Tick the box "I'm not a robot" and then select "Next"
5. Complete the prompts to set up your username and password details

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts..

Alternatively, Placement Participants can request their personalised paper Application Form from the Share Registry. Paper Application Forms will be personalised and will set out the maximum Option entitlement for each Eligible Shareholder.

Completed Application Forms must be received by no later than 5.00 pm (Sydney time)

on Monday 28 August 2023. Applicants are encouraged to submit their Application Form as early as possible.

No funds are payable on submitting an Application Form. No brokerage, stamp duty or other costs are payable by Applicants.

New Listed Options will be issued to Placement Participants on 31 August 2023 and holding statements will be despatched on that same date.

Application Forms will not be accepted at the Company's registered or corporate offices. Placement Participants must follow the instructions on the Application Form when returning an Application Form.

The Application Form does not need to be signed to be a binding acceptance of the New Listed Options under the Offer. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final. If you are in doubt as to the course of action, you should consult your professional advisor(s).

1.7 Ineligible Shareholders

Ineligible Shareholders are not entitled to participate in the Options Issue. If you receive this Prospectus and/or a personalised Application Form but you are an Ineligible Shareholder, please disregard.

1.8 Lead Manager

The Company engaged the services of Molo to manage the Placement. Refer to Section 5.6 for a summary of the material terms of the mandate between the Company and Molo (**Lead Manager Mandate**).

1.9 ASX quotation

Application for Official Quotation of the New Listed Options offered pursuant to this Prospectus will be made to ASX within seven (7) days after the date of this Prospectus. The New Listed Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing Rules are satisfied. If the quotation requirements are not satisfied or ASX otherwise does not grant Official Quotation of the New Listed Options, the New Listed Options will be issued on an unquoted basis.

The fact that ASX may grant official quotation to the New Listed Options is not to be taken in any way as an indication of the merits of the Company or the New Listed Options now offered under this Prospectus.

1.10 Issue of New Listed Options

The New Listed Options to be issued pursuant to the Offer will be issued in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules. Holding statements for the New Listed Options issued under the Offer will be mailed in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

1.11 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Listed Options.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Listed Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Listed Options.

If you are registered on the Issuer Sponsored subregister, your statement will be sent by the Company's share registrar and will contain the number of New Listed Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.12 Risk factors

An investment in New Listed Options should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 2.

1.13 Overseas Applicants

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to obtain.

1.14 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Listed Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Listed Options under this Prospectus.

1.15 Privacy

The Company collects information about each Applicant provided on an Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Acceptance Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.16 Enquiries concerning Prospectus

Enquiries concerning the Acceptance Form can be obtained by contacting the Company's share registrar.

Enquiries relating to this Prospectus should be directed to the Company Secretary.

2. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks Associated with the Company

(a) Reliance on key personnel

The Company's research and development and its operational success will substantially depend on the continued employment of senior executives, technical staff and other key personnel, and the loss of such key personnel may have a detrimental impact on the Company.

(b) Manufacturing risk

The Company currently manufactures its products through a single service provider (namely, CSB Nutrition) at one site in Utah, US. CSB Nutrition is a CGMP certified manufacturer of food and dietary supplements.

Risks associated with CSB Nutrition's ability to provide continued service, including risks associated with the supply of raw materials (including timely availability of raw materials) or the manufacturing supply chains may have a material adverse effect on Company's manufacturing capabilities. Further, under its agreement with CSB Nutrition, NGS is exposed to the market prices for raw materials. A significant increase in raw material prices may have a material adverse effect on the Company's manufacturing capabilities or profit margins, and while this may be mitigated through increasing the retail price of its products, a price increase may result in a decrease of sale due to its potential impact on customer spending.

The future success of the Company is dependent on the timely availability of raw materials and on large-scale manufacturing expertise in order to ensure that product reliability and quality standards are met and that an efficient production process is used to control manufacturing costs.

Initiating mass-production may be a protracted process, and shortages of products available to the market may frustrate end-user demand.

(c) Consumer preferences

The Company's business is dependent upon customer awareness and market acceptance of its products. The Company may not be able to anticipate and react to trends within the dietary supplement market in a timely manner, or accurately assess the impact that such trends may have on consumer preferences. Failure to respond to changes in consumer preferences or anticipate market trends may adversely affect the Company's future revenues and performance. Although the Company has strived to establish market recognition for its products in the dietary supplement industry, it is too early in the life cycle of the Company's brand to determine whether the products developed by the Company will achieve and maintain satisfactory levels of acceptance and sustained take-up by independent distributors and retail customers.

(d) Health risks

There is a risk that the supplement formulae manufactured for the Company may become contaminated or that the ingredients for such formulae may be spoiled, contaminated by

chemicals, microorganisms or toxins, or include foreign materials or substances. Illness or injury to consumers may also result from tampering by unauthorised third parties. The risk of contamination may lead to product recalls or other interventions, which may cause serious damage to the Company's reputation, product liability claims and loss of revenue. The Company's products must comply with health and safety laws in a wide range of jurisdictions, and failure to comply with such laws may lead to penalties and other liabilities being imposed on the Company. In such circumstances, the Company may be required to recall products, suspend production or cease operations, which may lead to a materially adverse effect on the Company's financial performance and profitability.

(e) Competition

There are many competitors that operate in the nutritional supplements and milk formula industry. If new competitors enter the segment in which the Company operates, or established fast moving consumer goods (**FMCG**) companies develop new products and technologies that are superior to the Company's products, the Company's ability to successfully exploit its products may be adversely affected. The Company may be unable to develop further products or keep pace with developments in its market space, and may lose market share to competitors. If the Company's competitors develop a more efficient business model or undertake a more aggressive marketing campaign, this is likely to adversely affect the Company's marketing strategies and results of operations.

There is no guarantee that customers will take up the Company's products and the Company may be unable to compete successfully with more established FMCG companies on price or quality, or may be unsuited to the established preferences of potential consumers.

Generally, the supplement formula industry in which the Company operates is subject to global and domestic competition. The Company is unable to influence or control the conduct of its competitors and such conduct may detrimentally affect the Company's financial and operating performance.

(f) Intellectual Property Rights

The Company holds patents, which constitute a primary asset of the Company. The ability of the Company to commercialise its patents or to attract commercial partners or distributors is largely dependent on the Company protecting the monopoly rights to exploit the inventions and methods described in the Patent. Whilst the Company is not aware of the Healthy Height® products infringing any third party's patents, it has not undertaken an exhaustive assessment of existing patents to determine any overlapping technology or potential infringement, as the costs of such would be prohibitive. Accordingly, there is a risk that a third party may claim that the Healthy Height® products (including as set out in the Patents) infringe that third party's patent.

Any event that would jeopardise the Company's proprietary rights or any claims of infringement by third parties could have an adverse effect on the Company's ability to market or exploit the Healthy Height® technology.

Although NGS has filed a Provisional Patent Application in the US with respect to the Healthy Height® Sports Formula, there is a risk that the patent will not be awarded, which reduces the Company's ability to protect its intellectual property.

There is no guarantee that the Patents will provide adequate protection for the Company's intellectual property, or that third parties will not infringe or misappropriate the Patents or similar proprietary rights. In addition, there can be no assurance that the Company will not have to pursue litigation against other parties to assert its rights.

The Company has not as yet been granted a patent in China for Healthy Height® or any of its other products.

Furthermore, the Company has licensed the use of a Healthy Height[®] formulation in certain jurisdictions to GSK, which rights are currently held by the Unilever Group. Under the terms of the Patent and Know-how License Agreement:

- the Unilever Group has exclusive rights to commercialise that Healthy Height[®] formulation in Nepal, Burma, Vietnam, Ghana, Nigeria, South Africa, Kenya, Egypt, Saudi Arabia, Brazil, Venezuela, Colombia, Ecuador, Peru, Argentina or Costa Rica (**Category A Jurisdictions**) if it launches that Healthy Height[®] formulation by 1 November 2020. To NGS' knowledge the Unilever Group has not launched any Healthy Height[®] formulation prior to 1 November 2020 in these jurisdictions; and
- the Unilever Group has non-exclusive rights to commercialise that Healthy Height[®] formulation in Sri Lanka, Mexico, Singapore, Indonesia or Malaysia (at any time),

accordingly, if the Company launches that Healthy Height[®] formulation in any of the jurisdictions set out above (on the basis that Unilever Group has not launched a Healthy Height[®] formulation in the Category A Jurisdictions prior to 1 November 2020), the Company may potentially have to compete with the Unilever Group in those jurisdictions with respect to the sale of the same formulation, should the Unilever Group ultimately determine to, and launch the Healthy Height[®] formulation in those jurisdictions.

The Company also creates and publishes scientific studies and research, allowing journals and publishers to hold the copyright in respect of such studies and research, in accordance with customary market practice; however, all material intellectual property rights in the data created in such studies and research remain solely with Company.

(g) Failure to comply with laws, regulations and standards

The Company is subject to the regulatory framework in each jurisdiction in which it operates. Failure by the Company to comply with applicable regulations may subject the Company to enforcement actions such as warning letters, fines, or other penalties. Such failure may also attract negative publicity to the Company and its products, harm its reputation and adversely impact its ability to develop its business.

Further, any changes to the existing regulatory framework or the imposition of new legislation or regulations applicable to the dietary supplement or food industry in which the Company operates may adversely affect the financial and operating performance of the Company. This risk factor applies to government policy and legislative changes in Australia, the US and Israel, as well as the other countries in which the Company operates.

In some countries (such as China), initial sale of the Company's products may be subject to obtaining jurisdictional regulatory approvals. If such approvals are delayed or not obtained, then the Company's entry into such jurisdiction may be delayed or otherwise limited until the issue is resolved. In some countries, the Company's products may be subject to continuing regulation (including quality assurance), ongoing monitoring and reporting, and restrictions on promoting or advertising its products, by local authorities. Some of these regulations may change over time and be enforced unpredictably.

2.2 Risks associated with incorporation in Israel

The Israel laws relating to directors' fiduciary responsibilities and the protection of minority shareholder interests differ from Australian laws.

As the Company is incorporated in Israel, certain provisions of the Corporations Act will not apply to the Company. In particular, the provisions of the Corporations Act applying to related party transactions, substantial holdings, takeovers, financial assistance and voting on remuneration reports will not apply to offers for the Shares. There is therefore a risk that Israel law may not offer Shareholders a similar level of protection as offered by the Corporations Act.

Any claim against the Company for a breach of its Articles of Association would also have to be brought in Israel. As such a claim would be contractual, it may not have the same enforceability as a claim under the Corporations Act. There may also be difficulties in enforcing foreign judgment and arbitral awards.

Specific risks associated with incorporation in Israel include:

(a) The headquarters of the Company are located in Israel

The headquarters of the Company is located in Tel Aviv, Israel. The Company's clinical research is currently conducted under agreement with Schneider, in Israel.

Political, economic and military conditions in Israel may directly affect the business of the Company. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. Any hostilities involving Israel, terrorist activities, political instability or violence in the region or the interruption or curtailment of trade or transport between Israel and its trading partners could adversely affect operations and results of operations and adversely affect the market price of the Company's Shares.

The commercial insurance of the Company does not cover losses that may occur as a result of an event associated with the security situation in the Middle East, and there is no assurance that government compensation will be sufficient to fully compensate the Company for damages incurred. Any losses or damages incurred could have a material adverse effect on the business, financial condition and results of operations. Further, operations could be disrupted by the obligations of employees to perform military service.

(b) Provisions of Israeli law and the Articles of Association of the Company may impede a merger with, or an acquisition of, the Company

Israeli corporate law regulates mergers, requires tender offers for acquisitions of shares above specified thresholds, requires special approvals for transactions involving Directors, officers or significant shareholders and regulates other matters that may be relevant to such types of transactions.

An offer for all of a public company's shares can only be completed if shareholders not accepting the offer hold less than 5% of the company's issued share capital. Completion of the offer requires approval of a majority of the offerees that do not have a personal interest in the offer, unless shareholders not accepting the offer hold less than 2% of the company's outstanding shares.

Shareholders (including those who indicated their acceptance of the offer) may at any time within six months following the completion of the offer, petition an Israeli court to alter the consideration for the acquisition, unless the acquirer stipulated in its offer that a shareholder that accepts the offer may not seek such appraisal rights.

Israeli tax considerations may make potential transactions unappealing to the Company or to shareholders whose country of residence does not have a tax treaty with Israel exempting such shareholders from Israeli tax. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of a number of conditions, including, in some cases, a holding period of two years from the date of the transaction during which disposals of shares of the merging companies are subject to restrictions. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred.

These provisions could delay, prevent or impede an acquisition of the Company or its merger with another company, even if such an acquisition or merger would be beneficial to the Company or to Shareholders.

(c) Difficulty in enforcing a judgment of an Australian court against the Company

The Company is incorporated in Israel. The majority of the Directors and executive officers listed in this prospectus reside outside of Australia, and most of Company's assets and the assets of these persons are located outside of Australia. Therefore, a judgment obtained against the Company, or any of these persons, including a judgment based on the civil liability provisions of Australian securities laws, may not be collectible in Australia and may not be enforced by an Israeli court. It may also be difficult to effect service of process on these persons in Australia or to assert Australian securities law claims in actions instituted in Israel.

Israeli courts may refuse to hear a claim based on an alleged violation of Australian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law, and not Australian law is applicable to the claim. If Australian law is found to be applicable the content of applicable Australian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process.

Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above.

In accordance with the Israeli Law on *Enforcement of Foreign Judgments, 5718-1958*, Israeli courts may enforce an Australian judgment in a civil matter, including a judgment based upon the civil liability provisions of Australian securities laws only if they find, among other things, that:

- the judgment was rendered by a court which was, according to the laws of the state of the court, competent to render the judgment;
- the judgment may no longer be appealed;
- the obligation imposed by the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the judgment is not contrary to public policy; and
- the judgment is executory in the state in which it was given.

The Company has appointed Mr. Lee Tamplin (Authorised Representative of the Australian Local Agent) as its agent to receive service of process in any action against the Company in any Australian federal or state court arising out of the Offer or any purchase or sale of securities in connection with the Offer.

As a result of the difficulty associated with enforcing a judgment against the Company in Israel, claimants may not be able to collect any damages awarded by either an Australian or foreign court.

(d) Shareholders' rights and responsibilities will be governed by Israeli law

The rights and responsibilities of the Shareholders are governed by the Company's Articles of Association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in Australian companies.

In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders, and to refrain from abusing its power in the company.

In addition, a shareholder who is aware that it possesses the power to determine the outcome of a vote at a meeting of the shareholders or to appoint or prevent the appointment of a director or executive officer in the company has a duty of fairness toward the company with regard to such vote or appointment.

There is limited case law available on these duties and these provisions may be interpreted to impose additional obligations and liabilities on holders of the Shares that are not typically imposed on shareholders of Australian companies.

(e) Risk of claims for remuneration or royalties by employees

The Company has invested and expects to continue to invest a significant amount of resources in the development of intellectual property by its employees in the course of their employment. Under the Israeli *Patent Law, 5727-1967* (the **Patent Law**), inventions conceived by an employee during the term and as part of the scope of his or her employment with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights.

The Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee (**ICR Committee**), a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his or her inventions.

Recent decisions by the ICR Committee have created uncertainty in this area, as it held that employees may be entitled to remuneration for their service inventions despite having specifically waived any such rights. Further, the ICR Committee has not yet determined the method for calculating this remuneration nor the criteria or circumstances under which an employee's waiver of his or her right to remuneration will be disregarded.

The Company generally enters into assignment-of-invention agreements with its employees, pursuant to which such individuals assign to it all rights to any inventions created in the scope of their employment or engagement with the Company.

Although the Company's employees have agreed to assign to the Company service invention rights and have specifically waived their right to receive any special remuneration for such assignment beyond their regular salary and benefits, the Company may face claims demanding remuneration in consideration for assigned inventions. As a consequence of such claims, the Company could be required to pay additional remuneration or royalties to its current or former employees, or be forced to litigate such claims, which could negatively affect its business.

(f) Exchange rate fluctuations

The US dollar is the functional and reporting currency for the Company. However, a portion of operating expenses are incurred in New Israeli Shekels, or NIS, which is the lawful currency of the State of Israel. As a result, the Company is exposed to the risks that the NIS may appreciate relative to the US dollar, or, if the NIS instead devalues relative to the US dollar, that the inflation rate in Israel may exceed such rate of devaluation, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the dollar cost of the Company's operations in Israel would increase and the US dollar-denominated results of operations may be adversely affected. The Company cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation (if any) of the NIS against the US dollar. As the Company grows and expands its operations in different jurisdictions, it may be exposed to other currency exchange risks.

(g) Political, sovereign and economic risks

As the Company also operates in Israel, it will be subject to those risks associated with operating in a foreign jurisdiction. Such risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licencing, repatriation of income or return of capital, consumer health and safety or labour relations. While Israel is stable, there is no certainty that political and economic conditions will remain stable. Any deterioration in political or economic conditions, including hostilities or terrorist activity may adversely affect the Company's operations and profitability. There is also a risk that the government of Israel may change its policies regarding foreign investment, which may have an adverse impact on the Company's profitability.

(h) Foreign Sales

As at the date of this Prospectus, the Company undertakes international sales of its products. The international sales undertaken by the Company will be subject to a number of risks inherent in selling and operating abroad, which could adversely affect its ability to increase or maintain foreign sales. These include, but are not limited to, risks regarding:

- currency exchange rate fluctuations;
- local and international economic and political conditions;
- disruptions of capital and trading markets;
- accounts receivable collection and longer payment cycles;
- difficulties in managing foreign distribution and operations;
- potential hostilities and changes in trade or diplomatic relationships;
- restrictive government actions (such as restrictions on the transfer or repatriation of funds and trade protection measures, including export duties and quotas and customs duties and tariffs);
- changes in legal or regulatory requirements;
- the laws and policies of Israel and other countries affecting trade, foreign investment and loans and import or export licencing requirements; and
- tax laws.

Changes in circumstances or market conditions resulting from those risks may restrict the Company's ability to operate in an affected region and/or adversely affect the profitability of the Company's operations in that region.

(i) Tax residency of the Company

As an Israeli incorporated company, the Company is considered to be a non-resident for Australian income tax purposes. This is based on an ongoing assessment of where central control and management of the Company is located. There is a risk that the Company may be considered to be an Australian tax resident in future, resulting in taxing events that may adversely affect the Company's profit.

(j) Failure to achieve significant results in clinical studies of new products

The results of pre-clinical studies, early clinical trials or analyses of products may not be predictive of the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits, despite having progressed through pre-clinical studies and initial clinical trials. A number of companies in the food supplement industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety findings, notwithstanding promising results in earlier trials. In addition, conclusions based on promising data from analyses of clinical results may be shown to ultimately be incorrect when implemented in prospective clinical trials. Even if clinical trials for the Company's current products are completed as planned, the Company cannot be certain that their results will support the safety and efficacy sufficient to obtain regulatory approval (where required).

(k) Acquisition Risk

The Board intends on growing the Business both organically and, as opportunities present themselves, through potential acquisitions of complementary and synergistic businesses. While the Company will attempt to undertake all reasonable and appropriate due diligence in respect of any acquisition opportunities, there is a risk that the due diligence and analysis may be incomplete or inaccurate, warranties or indemnities cannot be obtained, or that the benefits and synergies the Company anticipates to receive from such acquisitions may not be realised due to a variety of factors. Although the Company will seek to obtain suitable

warranties and indemnities in respect of any acquisition, there is a risk that adverse issues are subsequently discovered and that these risks cannot be fully mitigated by any contractual protection. If an unforeseen liability arises in respect of which the Company is not able to rely on any contractual protection, this may adversely affect the financial and operating performance of the Company and the Business.

The Company's ability to expand through future acquisitions as one part of its growth strategy may be affected by factors beyond its control, which may result in there being limited or unsuitable acquisition opportunities at the relevant time. There can be no assurance that suitable future acquisition opportunities will arise, or if they do arise, that they will be able to be made on acceptable terms. In addition, there is a risk that the acquisitions may fail to meet the strategic and financial objectives, generate the synergies and benefits that are expected, or provide an adequate return on the purchase price and resources invested in them. This may occur due to a variety of factors, including poor market conditions, poor integration of personnel, personnel losses, client losses, technology impacts or other integration barriers. Any of the above factors, either individually or in combination, may have an adverse effect on the Company's financial and operational performance.

(I) Risks relating to Company's website

The Company's website states that the Company's place of business is California, US. California's Customer Records Law requires businesses to implement and maintain reasonable controls (security procedures and practices) appropriate to the nature of the information that they collect (as clarified by guidelines published by the California Attorney General).

The Company is assessing its compliance with the applicable law and guidelines. Failure to comply with these laws and guidelines may lead to potential liabilities being imposed on the Company. Further, the Company's user terms and conditions may be deemed unenforceable which may result in loss or liability to the Company.

2.3 General risks of an investment in Nutritional Growth Solutions

(a) Price of Shares

The Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the Company's fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase even if the Company's earnings increase.

Some of the factors which may adversely impact the price of the Shares include:

- fluctuations in the domestic and international market for listed securities;
- general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- changes in legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Company operates;
- general operational and business risks; and
- sale of a substantial number of Company's securities.

(b) Trading and liquidity in Shares

There can be no guarantee that an active trading market for the Shares will continue or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares.

(c) Shareholder dilution

The Company has the need for additional capital to fully commercialise the Company's products. Additional capital may come in the form of licensing or partnering fees, or in the future, the Company may elect to engage in further capital raisings to fund operations, undertake other strategic initiatives (including acquisitions), and facilitate employee share plans.

(d) Inability to pay dividends or make other distributions

There is no guarantee that dividends will be paid on Shares in the future. Any distribution is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, amongst other things, the financial performance and position of the Company, relative to its capital expenditure and other liabilities.

Moreover, to the extent that the Company pays any dividends, its ability to offer fully franked dividends is contingent on making taxable profits. Israeli law also limits the Company's ability to declare and pay dividends (dividends may only be declared and paid from certain profits or surplus, except with court approval and where the declaration and payment of dividends may not pose a risk of insolvency to the Company) and may subject its dividends to Israeli withholding taxes.

The Company's taxable profits may be volatile, making the payment of dividends unpredictable. The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

As a result, capital appreciation, if any, of the Company's Shares may be the Company's shareholders' sole source of gain for the foreseeable future.

(e) Company may be subject to changes in tax law

Changes in Australian, US or Israeli tax laws (including transfer pricing, goods and services taxes, value added tax and stamp duties), or changes in the way taxation laws are interpreted may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

(f) Ability to Raise Funds

There is no certainty regarding the ability of the Company to raise sufficient funds to meet its needs in the future. The Company's future capital requirements depend on a number of factors including the Company's ability to generate income from its operations. The Company may need to raise additional capital from equity or debt sources due to unforeseen circumstances or for appropriate acquisitions. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to develop its business, and this may have an adverse impact on the Company's operations.

(g) Use of Proceeds

Although the Company currently intends to use the net proceeds from the Placement in the manner described in the section entitled "Use of Offer proceeds," Company's management will have broad discretion in the application of the balance of the net proceeds from the Placement and could spend the proceeds in ways that do not improve the Company's results of operations or enhance the value of its Shares. The failure by the Company's management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Company's business, cause the price of the Company's Shares to decline and delay the development of new products.

(h) Possibility of force majeure events

Events may occur within or outside Australia, US and Israel that could impact the worldwide, Australian, US and/or Israeli economy, the Company's operations and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (such as epidemics or pandemics) or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business.

While the Company seeks to maintain insurance in accordance with industry practice to insure against the risks it considers appropriate after consideration of the Company's needs and circumstances, no assurance can be given as to the Company's ability to obtain such insurance coverage in the future at reasonable rates or that any coverage arranged will be adequate and available to cover any and all potential claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

2.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Listed Options offered under this Prospectus.

Therefore, the New Listed Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Listed Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Listed Options pursuant to this Prospectus.

3. Purpose and effect of the Offer

3.1 Purpose of the Offer

The primary purpose of the Prospectus is to:

- (a) issue the New Listed Options under the Offer;
- (b) obtain Quotation of the New Listed Options;
- (c) facilitate secondary trading of the New Listed Options under the Offer; and
- (d) facilitate secondary trading of any Shares issued on the exercise of the New Listed Options issued under the Offer.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing notice' under section 708A(5). However, the Company is precluded from issuing a cleansing notice in respect of the New Listed Options as they are not in a class of securities that were quoted securities at all times in the last 3 months.

Consequently, the Company has issued this Prospectus in respect of the Offer to the Placement Participants. Issuing the New Listed Options under this Prospectus will enable persons who are issued the New Listed Options to on-sell their New Listed Options, and any Shares issued on the exercise of the New Listed Options pursuant to *ASIC Corporations (Sale Offers that Do Not Need Disclosure) Instrument 2016/80*.

3.2 Proposed use of funds

No funds will be raised from the New Listed Options issued in connection with the Placement as they are free attaching to the Shares on a 1:2 basis. The Company intends to apply the funds raised from the Capital Raising (approximately \$1,200,000) in accordance with the table set out below.

Description	A\$
Funds raised under the Offer (before payment of the costs of the Offer)	\$1,200,000
Working capital at the time of the offering	\$130,000
Total sources of funding	\$1,330,000
Research and Development expenses	\$60,000
General business operations, general and administrative and working capital	\$1,150,000
Costs of Offer, including broker fees	\$120,000
Total uses of funds	\$1,330,000

Actual expenditure may differ significantly from the above estimates due to a number of factors including the outcome of operational and commercialisation activities, regulatory development, market and general economic conditions and other factors (including the risk factors outlined in Section 2).

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), and in the administration of the Company.

3.3 Effect of the Offer

The principal effect of the Offer (assuming all New Listed Options offered under this Prospectus are issued) will be that 80,000,000 New Listed Options will be issued.

The effect of the Offer on the capital structure of the Company is set out in Section 3.6.

3.4 Effect on control of the Company

The Offer will not have a material impact on the control (as defined under section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have voting power greater than 20% as a result of the completion of the Offer.

The maximum number of New Listed Options proposed to be issued under the Offer is 80,000,000 New Listed Options. If all these New Listed Options are exercised, the Shares issued on exercise will represent approximately 24.2% of the Shares on issue following completion of the Offer.

3.5 Pro Forma Statement of Financial Position

Set out in Annexure A is an unaudited pro-forma statement of financial position of the Company prepared using the audited statement of financial position of the Company as at 31 December 2022 and on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position as a result of the Offer and the Capital Raising.

The statements of financial position have been prepared to provide information on the assets and the liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Accounting Standards applicable to annual financial statements of the Company.

3.6 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer (assuming all New Listed Options are issued, no other Securities are issued, and no other existing Securities are exercised or converted into Shares are exercised) is set out below.

Security	Number
Shares	
Shares on issue as at the date of this Prospectus	251,227,397
Total Shares on issue on completion of the Offer	251,227,397
Listed Options	
NGSO: Options expiring 19-Nov-2023	30,793,938
Unlisted Options	

Security	Number
NGSAN: Employee options expiring on various dates and with various exercise prices	6,604,169
NGSAH: Options expiring 23-Oct-2025 (ex. \$0.20) (Restricted)	20,000,000
NGSAJ: Performance Options expiring 31-Dec-2025 (Restricted)	5,571,430
NGSAM: Options expiring 03-Jan-2029 (Restricted)	
NGSAT: Options expiring 31-Jan-2029 (ex ILS 0.01)	
Sub-total	32,175,599
New Listed Options - Placement ¹	50,000,000
New Listed Options - Lead Manager ¹	30,000,000
Total Options on issue on completion of the Offer	142,969,537

Notes:

1. New Listed Options are exercisable at \$0.02 on or before 23 August 2026, being three (3) years from the issue date. The full terms and conditions of the New Listed Options are set out in Section 4.3.

3.7 Details of substantial holders

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities are set out below:

Shareholder	Shares	%
Mor Research Applications Ltd	12,604,790	5.02%

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only New Listed Options are being issued. The Company will notify ASX of any changes in interests of the substantial holders as a result of the issue of Shares under the Capital Raising in accordance with its continuous disclosure obligations.

4. Rights attaching to Securities

4.1 Terms and Conditions of Shares on exercise

All Shares issued on the exercise of any New Listed Options will rank *pari passu* in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official Quotation of all Shares issued upon the exercise of New Listed Options issued under the Offer.

4.2 Rights and Liabilities attaching to Shares

The following is a summary of the rights and liabilities attaching to Shares being the underlying securities of the New Listed Options to be issued under this Prospectus. This summary is qualified by the full terms of the Articles of Association of the Company (a full copy of the Articles of Association is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Compliance with Listing Rules

The Articles of Association provide that if the Listing Rules require the Articles of Association to contain a provision and they do not contain such a provision, the Articles of Association are deemed to contain that provision.

Similarly, if the Listing Rules require the Articles of Association not to contain a provision and they contain such a provision, the Articles of Association are deemed not to contain that provision.

If any provision of the Articles of Association is or becomes inconsistent with the Listing Rules, the Articles of Association are deemed not to contain that provision to the extent of any inconsistency.

(b) Voting at a general meeting

In general, the Company's Articles of Association provide that any Shareholders' resolution shall be deemed adopted if approved by a simple majority of the holders of the ordinary Shares present at the general meeting, including without limitation, a merger of the Company or an amendment to these articles, to the extent permitted by applicable law.

Subject to applicable law, every question submitted to a general meeting shall be decided by a show of hands, by an instrument of proxy, or by written ballot to the extent permitted.

A declaration by the Chairperson of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or defeated, and an entry to that effect in the minutes book of the Company, shall be conclusive evidence of the fact without need of proof of the number or proportion of the votes recorded in favour of or against such resolution.

Two or more Shareholders present in person or in proxy and holding in aggregate at least 25% of the voting power of the Company may constitute a quorum at a general meeting. If a quorum is not present within half an hour from the time set, the meeting shall be adjourned to the same day in the next week at the same time and place, or, if not set forth in the notice of the meeting, to such day and at such time and place as

the Chairperson may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. If a quorum is not present at the adjourned meeting within half an hour of the time set, any two Shareholders may constitute a quorum. The Chairperson shall preside at any general meeting but the office shall not (by itself) entitle the Chairperson to vote at the meeting (unless voting as a holder of Shares or proxy of a Shareholder).

Each Shareholder shall have one vote for each Share registered in their name upon any resolution put to Shareholders. The Shareholders entitled to vote at a general meeting shall be the Shareholders listed in the Company's register at the record date, and may vote in person or by proxy. Shareholders shall not be entitled to vote unless all calls and other sums payable in respect of their Shares have been paid or their Shares are not fully paid up. In the event of an equality of votes, the Chairperson shall not be entitled to a casting vote.

(c) **Meetings of members**

In most cases, the Company's Articles of Association either mirrors the Companies Law provisions on different matters relating to Shareholders' meetings, or remains silent, in which case various default Companies Law provisions apply to the Company.

Under Israeli law, the Company is required to convene an annual general meeting of its Shareholders once every calendar year within a period of not more than 15 months following the preceding annual general meeting. All meetings other than the annual general meeting of Shareholders are referred to in its restated Articles of Association as extraordinary general meetings. The Company's Board may call extraordinary general meetings whenever it sees fit, at such time and place, within or outside Israel, as it may determine.

In addition, the Companies Law provides that the Company's Board is required to convene an extraordinary general meeting of its Shareholders at the request of:

- two directors or one quarter of the members of Company's Board, or
- one or more holders of 5% or more of the share capital and 1% of Company's voting power or the holder or holders of 5% or more of Company's voting power.

Furthermore, the Companies Law requires that resolutions regarding the following matters be approved by Shareholders at a general meeting:

- amendments to the Articles of Association;
- appointment, terms of service and termination of service of the Company's auditors;
- appointment of external directors;
- approval of certain related party transactions;
- increases or reductions of the Company's authorised share capital;
- mergers; and
- the exercise of the Company's board of director's powers by a general meeting, if the Company's board of directors is unable to exercise its powers and the exercise of any of its powers is essential for the Company's proper management.

All Shareholder meetings require prior notice of at least 21 days or if the agenda of the meeting includes, among other things, the appointment or removal of Directors, the approval of transactions with office holders or interested or related parties, an approval of a merger or the approval of the compensation policy, notice must be provided at least 35 days prior to the meeting.

Subject to the provisions of the Companies Law and its regulations, Shareholders entitled to participate and vote at general meetings are the Shareholders of record on a date to be decided by the Board of Directors, which may be between four and twenty one days prior to the date of the meeting.

The Companies Law allows one or more shareholders holding at least 1% of the voting power of a company to request the inclusion of an additional agenda item for an upcoming shareholders meeting, provided that it is appropriate for discussion at a shareholders meeting. Under recently adopted regulations, such request must be submitted within three or, for certain requested agenda items, seven days following publication of notice of the meeting. If the requested agenda item includes the appointment of director(s), the requesting shareholder must comply with particular procedural and documentary requirements. If the board of directors of the company determines that the requested agenda item is appropriate for consideration by the shareholders, the company must publish an updated notice that includes such item within seven days following the deadline for submission of agenda items by the shareholders. The Company's Articles of Association further specifies that the Board of Directors may request that the Proposing Shareholder(s) provide any additional information necessary so as to include a matter in the agenda of a General Meeting, as the Board of Directors may reasonably require.

(d) Dividends

Subject to the Companies Law, the ASX Listing Rules, the ASX Settlement Operating Rules and the Articles of Association of the Company, the Board may determine that a dividend is payable on Shares. The Board may fix the amount of the dividend, the time for determining entitlements to the dividend and the time and the method of payment of the dividend.

The Company may declare a dividend to be paid to the holders of its Shares in proportion to their respective Shareholdings. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company's articles of association provide otherwise. The Company's restated Articles of Association do not require Shareholder approval of a dividend distribution and provide that dividend distributions may be determined by the Company's Board of Directors.

Pursuant to the Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to the Company's then last reviewed or audited financial statements, provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. The Company may otherwise distribute dividends that do not meet such criteria only with court approval. In each case, the Company is only permitted to distribute a dividend if its Board of Directors or the court (if applicable) determines that there is no reasonable concern that payment of the dividend will prevent the Company from satisfying its existing and foreseeable obligations as they become due.

(e) Transfer of Shares

Subject to the Articles of Association of the Company, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Articles of Association of the Company or by any other method permitted by the Articles of Association, Companies Law, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Articles of Association, Companies Law, the ASX Listing Rules or the ASX

Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Articles of Association, Companies Law, the ASX Listing Rules or the ASX Settlement Operating Rules.

(f) **Issue of further shares**

Subject to the Articles of Association, Companies Law, the ASX Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of, further shares on such terms and conditions as the Directors resolve.

(g) **Winding up**

Subject to the Companies Law, Articles of Association and any special resolution or preferential rights or restrictions attached to any class or classes of shares, members will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

A special shareholder resolution approved by 75% of the voting shares is required to approve the voluntary winding up of the Company.

If the Company is to be wound up, liquidated or dissolved, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, if any, the assets of the Company legally available for distribution among the shareholders, after payment of all debts and other liabilities of the Company, shall be distributed to the shareholders in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made, provided that if a class of shares has no nominal value, then the assets of the Company legally available for distribution among the holders of such class shall be distributed to them in proportion of their respective holdings of the shares in respect of which such distribution is made.

(h) **Unmarketable parcels**

Subject to the Articles of Association, Companies Law, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

(i) **Share buy-backs**

Subject to the Articles of Association, Companies Law, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Board.

(j) **Variation of class rights**

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Articles of Association, the Companies Law, the ASX Listing Rules and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled by:

- an ordinary resolution passed by the Company's Shareholders; and
- approval by the holders of a simple majority of the shares of the affected class.

(k) **Directors - appointment and removal**

Under the Articles of Association of the Company, the minimum number of Directors that may comprise the Board is three and the maximum is nine. The Board must include two external directors. Directors are elected at shareholders' general

meetings of the Company, and serve in office until they are replaced by a general meeting of the Company's shareholders, unless their office becomes vacant earlier in accordance with the provisions of Articles of Association of the Company.

Each Director is elected by a Shareholders' resolution at the annual general meeting by the vote of the holders of a simple majority of the voting power represented at such meeting, provided that external directors are elected in accordance with the Companies Law.

The Directors may appoint a Director either to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Under the Companies Law, the Board must determine the minimum number of directors who are required to have accounting and financial expertise. In determining the number of directors required to have such expertise, the Board must consider, among other things, the type and size of the company and the scope and complexity of its operations. The Company's Board has determined that the minimum number of Directors of the Company who are required to have accounting and financial expertise is one.

(l) Directors - voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chairperson of the meeting has no casting vote.

(m) Directors – remuneration

Mr Stephen Turner is being paid under an employment agreement for his services as the Chief Executive Officer and Executive Director, and shall not be paid any additional remuneration due to his service as an executive director.

Prof. Raanan Shamir is being paid under a consulting agreement for his services as an Executive Director and the Chief Scientific Officer, and shall not be paid any additional remuneration due to his service as an executive director.

Mr. David Fenlon is being paid for to his service as a Non-executive Chairman.

The external Directors, Ms. Rachel Hirsch, Mr. Guy Khavia and shall be reimbursed for their services only in accordance with amounts ascribed for external directors in the Companies Regulations (Relief for Public Companies Traded on a Stock Exchange Outside of Israel), 2000, as may be amended from time to time, promulgated following the Companies Law, with a cap of A\$1,400 per month plus A\$ 1,117 per meeting.

Mr. Peter Osborne is receiving fees of of A\$6,600 per month as a non-executive director.

The Articles of Association of the Company also makes provision for the Company to pay all reasonable expenses incurred by Directors in attending meetings or otherwise in connection with the business of the Company.

(n) Directors - powers and duties

The Directors have the power to manage the business of the Company and may exercise all powers which are not expressly required by law, the ASX Listing Rules or the Articles of Association of the Company to be exercised by the Company in a general meeting.

(o) **Liability, Exculpation, Insurance and Indemnification of Directors and Officers**

The Company, to the extent permitted by law, indemnifies each of its Directors and officers (past and present) against any liability incurred by that person as an officer of the Company or one of its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis).

The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person (on a solicitor-and-client basis).

The Company, to the extent permitted by law, may procure insurance insuring any Director or Secretary of the Company or its Subsidiaries against any liability incurred by such person as an officer of the Company or its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis).

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorising such exculpation is included in its articles of association. The Company's restated Articles of Association to be effective upon the closing of the Offer will allow the Company to exculpate, indemnify and insure its office holders to the fullest extent permitted or to be permitted by the Companies Law. A company may not exculpate in advance a director from liability arising out of breach of his duty of care in a prohibited dividend or distribution to shareholders.

Under the Companies Law and the Securities Law, an Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorising such indemnification is contained in its articles of association:

- financial liability imposed on him or her in favour of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court (provided that if an indemnity is provided in favour of office holder in advance, then it shall be limited to reasonably foreseeable events as determined by the Board based on the Company's activities at the time of granting the undertaking to indemnify, and an amount determined by the board of directors as being reasonable under the circumstances);
- reasonable litigation expenses, including legal fees, incurred by the office holder as a result of an investigation or proceeding instituted against him or her, provided that no indictment was filed against such office holder as a result of such investigation or proceeding and no financial liability was imposed as a substitute for a criminal proceeding as a result of such investigation or proceeding or, alternatively, a financial liability was imposed on such office holder as a substitute to an indictment arising from the criminal proceeding that does not require proof of criminal intent, or in connection with a monetary sanction;
- reasonable litigation expenses, including legal fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent; and

- expenses, including reasonable litigation expenses and legal fees, incurred by an office holder in relation to an administrative proceeding instituted against such office holder, including certain payments imposed on an office holder to be made to an injured party pursuant to certain provisions of the Israeli Securities Law.

Under the Companies Law and the Securities Law, a company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- a breach of duty of care toward the company or toward a third party, including a breach arising out of the negligent conduct of the office holder;
- a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company; and
- a financial liability imposed on the office holder in favour of a third party.

Under the Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of the duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the company and to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- a breach of duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive unlawful personal benefit; or
- a fine or forfeit levied against the office holder.

(p) **Amendment**

The Articles of Association of the Company can be amended by a resolution passed by a simple majority of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

4.3 Rights attaching to Options

The rights and liabilities attaching to the New Listed Options are as follows:

- (a) Entitlement: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Exercise Price: The exercise price of the Options is \$0.02 each.
- (c) Expiry Date: The expiry date of an Option is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse.
- (d) Exercise Period: The Options may be exercised at any time prior to the Expiry Date, in whole or in part, upon payment of the exercise price per Option (**Exercise Period**).
- (e) Notice of Exercise: The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (g) Timing of issue of Shares on exercise: Within 5 Business Days after the Exercise Date, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

if a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) Quotation: Subject to complying with the ASX Listing Rules, the Company will apply for quotation of the Options on the official list of the ASX. In the event that quotation of the Options cannot be obtained, the Option will remain unlisted.
- (i) Shares issued on exercise: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (j) Reconstruction of capital: If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be amended in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) Participation in new issues: There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) Change in exercise price: An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) Transferability: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian or Israeli securities laws.

4.4 Representations by acceptance in respect of issue of New Listed Options

By completing and submitting an Application Form as outlined in Section 3, you will be deemed to have represented to the Company that you (and any person for whom you are acting):

- (a) are an Eligible Shareholder;
- (b) have read and understand this Prospectus and the Application Form in their entirety;
- (c) agree to be bound by the terms of the Options Issue, the provisions of this Prospectus and the Articles of Association;
- (d) authorise the Company to register you as the holder(s) of Options allotted to you;

- (e) declare that all details and statements in your Application Form are complete and accurate;
- (f) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Application Form;
- (g) acknowledge that once the Company receives your Application Form, you may not withdraw your Application except as allowed by law;
- (h) agree to apply for and be issued up to the number of Options specified in the Application Form;
- (i) authorise the Company, Automic and their respective officers or agents to do anything on your behalf necessary for the Options to be issued to you, including to act on instructions of Automic upon using the contact details set out in your Application Form;
- (j) acknowledge that the information contained in this Prospectus and your Application Form is not investment advice nor a recommendation that the Options are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge the statement of risks included in Section 2 of this Prospectus, and that investments in the Options and Shares are subject to risk;
- (l) acknowledge that none of the Company, its related bodies corporate and affiliates and its Directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, the Options or the Shares;
- (m) agree to provide any requested substantiation of your eligibility to participate in the Options Issue;
- (n) authorise the Company to correct any errors in your Application Form or other form provided by you;
- (o) represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you did not receive an invitation to participate in the Offer either directly or through a nominee, are not an Ineligible Shareholder and are otherwise eligible to participate in the Options Issue;
- (p) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Application Form, nor does it prohibit you from making an Application for Options and that you are otherwise eligible to participate in the Options Issue;
- (q) you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (r) you understand and acknowledge that the Options and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the Options and the underlying Shares may not be offered or sold to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (s) represent and warrant that you have not, and will not, send this Prospectus, the Application Form or any other materials relating to the Offer to any person in the United States or any other country outside Australia;
- (t) if in the future you decide to sell or otherwise transfer the Options or the underlying Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States; and

- (u) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is:
 - (i) resident in Australia or New Zealand; and
 - (ii) is not in the United States.

4.5 Notice to nominees and custodians

The Options Issue is only being made to Placement Participants. Nominees and custodians who hold Shares as nominees or custodians should note that the Offer is not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder; and
- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Offer.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owner of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Options Issue is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. Custodians and nominees should be aware that, in submitting an Application Form, you are deemed to have made certain representations to the Company, further details of which are set out in Section 4.4.

5. Additional Information

5.1 Company Update

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at www.ngsolutions.co.

5.2 Nature of this Prospectus

The New Listed Options to be issued pursuant to this Prospectus are options over continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonable necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Listed Options offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have

regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.3 Continuous Reporting and Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction specific" prospectus in respect of the Offer.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospectus of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 31 December 2022; and
 - (ii) all continuous disclosure notices given by the Company after the lodgement of the half year financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

- (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and

(b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 31 December 2022 on 31 March 2023.

Date Lodged	Subject of Announcement
08/08/2023	Cleansing Notice
08/08/2023	Application for quotation of securities - NGS
03/08/2023	Cleansing Notice
03/08/2023	Application for quotation of securities - NGS
31/07/2023	Quarterly Activities and Cash Flow Report - June 2023
28/07/2023	Initial Director's Interest Notice - RH
28/07/2023	Initial Director's Interest Notice - GK
28/07/2023	Final Director's Interest Notice - AZ
28/07/2023	Final Director's Interest Notice - KS
25/07/2023	Results of Meeting
25/07/2023	AGM Chairman's Address and CEO's Presentation
20/06/2023	Notice of Annual General Meeting/Proxy Form
31/05/2023	Update on North American Expansion Strategy
30/05/2023	Investor Webinar
16/05/2023	Cleansing Notice
16/05/2023	Application for quotation of securities - NGS
15/05/2023	Final Director's Interest Notice - LF
09/05/2023	Proposed issue of securities - NGS
09/05/2023	Cost Reduction & Cap Raise to Fund North American Expansion
05/05/2023	Trading Halt

5.4 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Listed Options under this Prospectus.

5.5 Market price of Shares

The highest and lower closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus are set out below.

	Price (\$)	Date
Highest	\$0.017	9 May 2023
Lowest	\$0.01	26 June – 11 July and 24 July to 27 July
Last	\$0.014	8 August 2023

5.6 Lead Manager Mandate

The Company engaged the services of Molo to manage the Placement. Pursuant to the Lead Manager Mandate, the Company agreed to pay Molo:

- (a) a cash fee of 6.0% of the capital raised under the Capital Raising;
- (b) \$20,000 management fees; and
- (c) the issue of one 30,000,000 New Listed Options.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

5.7 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.8 Directors' Interests

Other than as set out below, the IPO Prospectus or elsewhere in this Prospectus, no Director has, or had since the IPO of the Company, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (d) to induce him or her to become, or to qualify him or her, as a Director; or
- (e) for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

5.9 Remuneration

The Remuneration (including superannuation) paid to the Directors since the IPO but prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below:

(amounts are stated in \$USD annualised from commencement of service – an exchange rate of A\$1:US\$0.65 was used for the purposes of this table)

Directors	Year	Salary & Fees US\$	Equity settled securities US\$	Total US\$
Dave Fenlon	FY2023	78,000	46,903	124,903
	FY2022	78,000	129,534	207,534
Prof. Raanan Shamir	FY2023	83,500	-	83,500
	FY2022	114,102	17,869	131,971
Peter Osborne	FY2023	51,480	-	51,480
	FY2022	51,480	-	51,480
Rachel Hirsh ¹	FY2023	15,000	-	15,000
Guy Khavia ¹	FY2023	15,000	-	15,000
Liron Fendell (former director)	FY2023	244,153	-	244,153
	FY2022	244,153	-	244,153
Dr. Kinneret Livnat ² Savitzky (former director)	FY2023	14,500	-	14,500
	FY2022	15,800	-	15,800
Amir Zaidman (former director) ²	FY2023	15,000	-	15,000
	FY2022	15,800	-	15,800

5.10 Securities

The securities in which the current Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below:

Director	Shares	Options	Performance Equity
Dave Fenlon	580,000	125,000 listed 5,000,000 unlisted ¹	
Peter Osborne	166,667	83,333 listed	-
Raanan Shamir	4,465,470	1,114,286 unlisted ¹	

¹ Commencement date July 26, 2023

² End of term July 25, 2023

Rachel Hirsch	-	-	-
Guy Khavia	-	-	-

1 Options issued in accordance with employee incentive plan. These were originally subject to performance criteria, which have been achieved and the options have vested.

5.11 Summary of Shareholder approvals in relation to New Listed Options

At the Annual General Meeting held on Tuesday 25 July 2023, the Company's Shareholders gave approval for, among other things, for the purposes of ASX Listing Rules 7.1 and 7.4 for all other purposes, for the issue and allotment of 100,000,000 Shares under the Placement, and 50,000,000 New Listed Options to Placement Participants and 30,000,000 New Listed Options to the Lead Manager, and the issue and allotment of Shares on the exercise of those Options in accordance with the Option Terms.

5.12 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisor or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Pursuant to Section 716 of the Corporations Act, K&L Gates has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. K&L Gates has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. K&L Gates has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay K&L Gates approximately \$11,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, K&L Gates has received fees of approximately \$34,000 (excluding GST and disbursements) in respect of general legal services provided to the Company.

Pursuant to Section 716 of the Corporations Act, Molo has given, and has not withdrawn its consent to being named as Lead Manager to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Molo has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Refer to

Section 5.6 for details of the fees payable to Molo as consideration for services provided in respect of the Placement. During the 24 months preceding lodgement of this Prospectus with ASIC, Molo has received fees of approximately \$252,000 (excluding GST and disbursements and including pay-aways to other brokers) in respect of general financial and broking services provided to the Company.

Automic Registry Services (**Share Registry**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Application Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions. References to the Share Registry appear for information purposes only. The Share Registry has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. The Share Registry has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

BDO Ziv Haft (**Auditor**) is the auditor of the Company and has given and, as at the date hereof, has not withdrawn, its written consent to use the audited statement of financial position as at 31 December 2022 set out in Annexure A of this Prospectus. The Auditor has had no involvement in the preparation of any part of the Prospectus other than being named as Auditor to the Company. The Auditor has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

5.13 Estimated expenses of the Offer

In the event the Offer is fully subscribed, the estimated expenses of the Offer (excluding GST) are as follows:

Item	Amount (A\$)
ASIC Fees	\$3,206
ASX Fees	\$7,781
Legal and other professional fees	\$11,000
Printing, registry and other expenses	\$5,000
Total	\$26,987

Note: The Company engaged the services of Molo to manage the Placement. Refer to Section 5.6 for details of the fees payable to Molo pursuant to the Lead Manager Mandate.

5.14 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has a reason to believe that when that person was given access to the electronic Application Form, it

was not provided together with the electronic Prospectus and any relevant Supplementary Prospectus or any of those documents were incomplete or altered.

6. Director's Consent

This Prospectus is dated 9 August 2023 and is issued by Nutritional Growth Solutions Ltd.

The Directors have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Nutritional Growth Solutions Ltd has consent to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Nutritional Growth Solutions Ltd:



Dave Fenion
Chairman

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Acceptance Form or Form means the Acceptance Form attached to this Prospectus that sets out the Entitlement of Shareholders to subscribe for New Listed Options pursuant to the Offer.

AEDT means Australian Eastern Daylight Time.

Applicant means a Placement Participant who applies for New Listed Options pursuant to the Offer.

Application Form means an application form attaching to, or accompanying this Prospectus.

Articles of Association means the Articles of Association of the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 624 691.

Board means the Directors meeting as a board.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

Capital Raising has the meaning given to it in Section 1.1.

CHES means ASX Clearing House Electronic Subregister System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means Monday 28 August 2023.

Company means Nutritional Growth Solutions Ltd ARBN 642 861 774.

Company Placement or Placement has the meaning given to it in Section 1.1.

Corporations Act means *Corporations Act 2001* (Cth).

Cth means the Commonwealth of Australia.

Directors mean the directors of the Company as at the date of this Prospectus.

Dollars or \$ means dollars in Australian currency (unless otherwise indicated).

GST means goods and services tax levied in Australia pursuant to a New Tax System (Goods and Services Tax) Act 1999 (Cth).

Ineligible Shareholder means a Shareholder that is not a Placement Participant.

Lead Manager or **Molo** means Molo Capital a Corporate Authorised Representative of BR Securities Australia Pty Ltd holder of an Australian Financial Services Licence (AFSL No. 456663).

Listing Rules means the Listing Rules of the ASX.

New Listed Options means options to be issued to the Placement Participants on the terms and conditions set out in Section 4.3.

Offer means the offer of 80,000,000 New Listed Options to the Placement Participants and Lead Manager pursuant to this Prospectus.

Official List means the official list of ASX.

Opening Date means Wednesday 9 August 2023.

Option means an option to acquire a Share.

Optionholder means a holder of New Listed Options.

Placement has the meaning given to it in Section 1.1.

Placement Participant means a person who participated in the Placement, and **Placement Participants** has a corresponding meaning.

Prospectus means this prospectus dated 9 August 2023.

Quotation and Official Quotation means official quotation on ASX.

Related Corporation means a “related body corporate” of the Company as that expression is defined in the Corporations Act and includes a body corporate which is at any time after the date of this Agreement a “related body corporate” but ceases to be a “related body corporate” because of an amendment, consolidation or replacement of the Corporations Act.

Securities means Shares and/or Options.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Automatic Registry Services.

US Person has the definition given to that term in Regulation S of the US Securities Act.

US Securities Act means the *United States Securities Act of 1933* (as amended).