

ASX Announcement 2 March 2021

NGS partners with leading child celebrity and social media influencer, Gavin Thomas, for China market e-commerce activity

Highlights

- Leading child celebrity and social media influencer Gavin Thomas to promote the Healthy Height® product range in China.
- Gavin Thomas has more than 8 million followers on social media platforms, has graced the cover of China's edition of ELLE Magazine, been a special guest at Chinese technology conventions and is the youngest recipient of the Weibo Influencer Award.
- Social media campaigns, physical appearances and associated brand ambassador activity will drive traffic to NGS' flagship store on Tmall Global, Alibaba's b2C ecommerce marketplace for international brands to engage Chinese consumers.
- Builds on the recent agreement with Yoola, a US based entertainment company and a worldleading YouTube multi-channel network (MCN) which is popular in China for allowing for crosspromotional initiatives between the three parties.

Nutritional Growth Solutions Ltd. ("the Company" or "NGS", ASX:NGS), the global nutritional health company focused on the well-being of children, is pleased to announce it has signed an agreement (the "Agreement") with leading child celebrity and social media influencer Gavin Thomas to promote its brand in China.

Ten-year-old Gavin Thomas from Minneapolis in the United States is a famous and much loved internet celebrity in China known as the "fake smile boy". His signature memes show him sporting an uneasy but polite smile that expresses forced optimism in uncomfortable situations. GIFs featuring Gavin Thomas have been used more than a billion times across various social media platforms in China, he has more than 8 million followers on social media platforms, has graced the cover of China's edition of ELLE Magazine, has been a special guest at Chinese technology conventions, and is the youngest recipient of the Weibo Influencer Award (Weibo is a Chinese social media platform similar to twitter).

Gavin Thomas will promote NGS' Healthy Height® product range in China through various social media campaigns, physical appearances and associated brand ambassador activity, predominantly to drive traffic to NGS's cross-border e-commerce flagship store on Tmall Global. Tmall Global is Alibaba's b2C cross-border marketplace for foreign brands and merchants to sell directly to more than half a billion consumers on Alibaba's platform in China.

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This agreement is in line with NGS' strategy to expand its distribution and presence in China, and builds on the recent agreement between NGS and Yoola, a US based entertainment company and a world-leading YouTube multi-channel network (MCN) which is particularly popular in China. Yoola works with influencers and brands to promote their products and content across various online platforms, by allowing for additional cross-promotional initiatives between the three parties.

Liron Fendell, CEO and Managing Director of NGS said, "Nutritional Growth Solutions and Gavin Thomas are a great match to raise the awareness of our Healthy Height® brand in China. He's much loved by both kids and parents alike in China who identify with his quirky personality and engage with him as a person.

"Being a reasonably short boy for his age, Gavin is also already a user of our products, so will be able to communicate to Chinese families with integrity about our patented, scientifically formulated and clinically tested nutritional shakes and snacks with proven functional benefits to assist children in reaching their maximum height".

Brian Leedman, NGS Chairman said, "Social influencer engagement between brands and customers through e-commerce platforms is much more advanced and ingrained in China than other markets. Partnering with Gavin Thomas and Yoola is key to quickly gaining scale in this key market where there is an unmet need for our clinically proven product".

Byron Ashley, Gavin Thomas' agent said, "We are beyond thrilled for Gavin to be partnering with Healthy Height. Liron and the NGS team have built an incredible product and are extremely forward-thinking marketers. The demand for these products matched with Gavin's extraordinary fanbase is a recipe for surefire success in China, and we are elated to be on this ride together".

Under the terms of the agreement Gavin Thomas and Yoola will be issued Options as consideration. The terms of the consideration are as follows:

- 1. Options NGS shall grant Gavin Thomas 250,000 options (Options), each Option will entitle Grant Thomas the right to purchase 1 ordinary share in the capital of the Company, with an exercise price of \$0.2731 (equal the volume weighted average price of the Company's share price for the 30 trading days prior to signature date). The Options shall be fully vested at the time of issue. The Options are being issued under the Company's ASX Listing Rule 7.1 capacity and will be issued under the same terms as the Company's 2020 Share Incentive Plan.
- 2. Cash compensation Gavin Thomas will receive \$15,000 upon signature and additional \$15,000 12 months after signature.
- 3. Success-based compensation Gavin Thomas shall receive cash compensation on achievement of the relevant milestones:



Milestone	Compensation
US\$1M in Attributed Sales	US\$50,000
US\$4M in Attributed Sales	US\$150,000
US\$7.5M in Attributed Sales	US\$175,000
US\$10M in Attributed Sales	US\$125,000

"Attributed Sales" shall mean direct sales from online or offline promotions which can be directly attributed to the result of efforts by Yoola and its Talents.

The Agreement term is for 2 years, and it may be terminated by either party at a 14 days' notice. There are no other material terms of the Agreement. The financial impact of the Agreement is not determinable at this time, with revenue generated by the Company subject to customer purchases of its products.

Gavin Thomas is represented by Byron Ashley of Settebello Entertainment, law firm Weintraub Tobin, and Chinese endorsement agent Peiran Wei.

This announcement has been authorised for release by the Board of Directors of Nutritional Growth Solutions Ltd.

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About Nutritional Growth Solutions

Nutritional Growth Solutions is a global nutritional health company focused on the well-being of children. NGS develops, produces and sells clinically tested nutritional supplement formulae for children following 20 years of medical research into pediatric nutrition at Schneider Children's Medical Centre, Israel's largest pediatric hospital. The nutritional supplements market has experienced tremendous growth in recent years, but most attention has been focused on adult users and children under three years of age. The three to twelve-year-old consumers represent a larger market opportunity and NGS is highly differentiated from its competitors with clinically tested products and an expanding product portfolio to capture this market opportunity.

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