

## Q2 FY25 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

**Nutritional Growth Solutions Limited** (ASX: **NGS**) ("**NGS**" or the "**Company**"), a health, nutrition, and wellness company headquartered in the United States, is pleased to present its Quarterly Activities Report and Appendix 4C Cash Flow Statement for the period ended 30 June 2025 ("**Q2 FY25**", the "**Quarter**" or the "**Reporting period**").

### KEY UPDATES

- **Q2 FY25 Revenue:** \$386k USD (\$594k AUD), down 13.6% QoQ, primarily due to reduced capital deployment impacting marketing activities.
- **CVS Retail Expansion:** Successful shipments of Happy Tummies® into approximately 5,500 CVS stores. All pipeline and DC backfill shipments have been delivered, and stores are now in the process of setting shelves. Consumer sales are expected to begin in August, once shelf placement is finalised.
- **Walmart Activation:** Successfully rolled out a third item into Walmart stores. Addition of strawberry flavor to the assortment, bringing the total range to three products in Walmart.
- **Cash Position:** The loss from operating activities for the quarter was \$54k USD (\$83k AUD) compared to \$77k USD (\$118k AUD) for the prior period, representing an approximate 30% QoQ improvement.
- **Inventory Position:** NGS has now received the final batches of inventory for the complete Healthy Heights portfolio, addressing previous inventory shortages. Current inventory levels are sufficient to support approximately five months of sales. Owned inventory is valued at approximately USD \$300k at list price (AUD \$461k).

### Stephen Turner, CEO and Managing Director, commented on the quarterly results:

*"Despite limited growth and significant market headwinds, we're encouraged by the momentum building as we complete our retail expansion into CVS and Walmart. By securing finished goods and finally receiving all previously ordered production runs, we're now better positioned to drive sales, having resolved prior inventory challenges. We're excited about the opportunities the second half of 2025 presents for NGS."*

*"I remain confident that our business is nearing profitability, and we remain committed to delivering long-term value for our shareholders,"* Mr. Turner said.

## REVENUE PERFORMANCE AND OUTLOOK

NGS reported Q2 FY25 revenue of \$386k USD (\$594k AUD), down 13.6% QoQ, primarily due to inventory shortages and reduced marketing activity as part of our capital preservation strategy.

## COMPLETION OF LAUNCH SHIPMENTS TO CVS

NGS previously announced that Happy Tummies®, a novel dietary supplement under the Healthy Heights® brand, would be ranged in approximately 5,500 CVS stores. Initial pipeline and DC backfill shipments were completed in July, with consumer sales expected to commence in August, once shelf placement is finalised. The planned launch is larger than initially anticipated and represents a significant increase in physical distribution in US retail to date. We're very encouraged by our progress with CVS to date and look forward to the upcoming consumer launch of Happy Tummies®.

## SIGNIFICANT ACTIVITIES IN WALMART

As previously reported, NGS has renewed its shelf placement with Walmart to range KidzProtein® nutritional shake mixes for calendar year 2025/26, starting in May. In addition to another year in Walmart, we've also added a strawberry flavour, bringing the total to three items on Walmart shelves. NGS is optimistic about the expanded assortment and expects continued growth for the brand. The addition of pipeline shipments for the strawberry flavor and additional DC backfill shipments were successfully completed in May, with early indications of strong in-store performance.

## CASH POSITION

As of 30 June 2025, the Company's cash balance was approximately negative \$12k USD (-\$18k AUD). This temporary negative balance was due to two timing-related factors:

1. the inclusion of credit card balances in the quarter-end cash reporting; and
2. Amazon revenues related to June period, received on 1 July 2025, just after quarter-end.

Adjusting for these timing items, the Company maintains adequate liquidity to meet near-term operating obligations.

## FINANCING ACTIVITIES

During Q2 FY25, NGS continued repayments on the previous Shopify facility and entered into a new USD \$120,000 unsecured facility with Amazon in mid-April 2025, with a fixed fee of USD \$16,716.

## ASX ADDITIONAL INFORMATION

In accordance with Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises that it spent \$205k USD (\$315k AUD) on product manufacturing and operating costs, \$59k USD (\$90k AUD) on administration and corporate costs, \$109k USD (\$167k AUD) on staff costs, and \$58k USD (\$89k AUD) on advertising and marketing. There have been no payments to related parties in Q4 FY25. The amount of \$35k AUD, encompassing Chair and Non-Executive Director fees are accrued.

*This announcement was authorised for release by the Board.*

For further information, please contact:

Stephen Turner

**Managing Director and CEO**

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## About Nutritional Growth Solutions

Nutritional Growth Solutions is a U.S.-based health, nutrition, and wellness company. NGS develops, produces and sells clinically tested nutritional formulas for children following 20 years of medical research into pediatric nutrition. The nutritional supplements market has experienced tremendous growth in recent years, but most attention has been focused on adult users and children under the age of three. The children aged three to twelve years represent a significant 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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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Nutritional Growth Solutions Ltd.

**ABN**

642 861 774

**Quarter ended ("current quarter")**

On 30/06/2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (.....months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	386	833
1.2 Payments for		
(a) research and development	-	(0)
(b) product manufacturing and operating costs	(205)	(478)
(c) advertising and marketing	(58)	(127)
(d) leased assets	-	-
(e) staff costs	(109)	(190)
(f) administration and corporate costs	(59)	(160)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(9)	(9)
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(54)</b>	<b>(131)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (.....months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	123
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(0)
3.5	Proceeds from borrowings	120	120
3.6	Repayment of borrowings	(76)	(140)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>44</b>	<b>103</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13	31
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(54)	(131)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (.....months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	44	103
4.5	Effect of movement in exchange rates on cash held	(15)	(15)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>(12)</b>	<b>(12)</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	3	13
5.2	Call deposits	-	-
5.3	Bank overdrafts	(15)	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(12)</b>	<b>13</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1	Loan facilities	157	151
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>157</b>	<b>151</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>During Q2 FY25, NGS continued repayments on the previous Shopify facility and entered into a new USD \$120,000 unsecured facility with Amazon in mid-April 2025, with a fixed fee of USD \$16,716.</p> <p>Alongside this announcement, the Company is actively raising additional capital to support its US retail expansion, fulfil working capital requirements, and enhance liquidity. This capital raise is expected to significantly strengthen the Company's financial position in the coming months.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(54)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(12)
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	(12)
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.00
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: No. Operating cash flows are expected to improve in future periods following the completion of inventory purchases and the commencement of CVS in-store sales in August 2025.</p>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer: Yes. The Company is actively raising additional capital, as noted in section 7.6, to support growth initiatives and enhance liquidity. The Directors are confident in the successful completion of this raise.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company expects to continue operations and meet its business objectives, supported by anticipated improved revenues and the current capital raising efforts.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....31 July 2025.....

Authorised by: .....the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.