

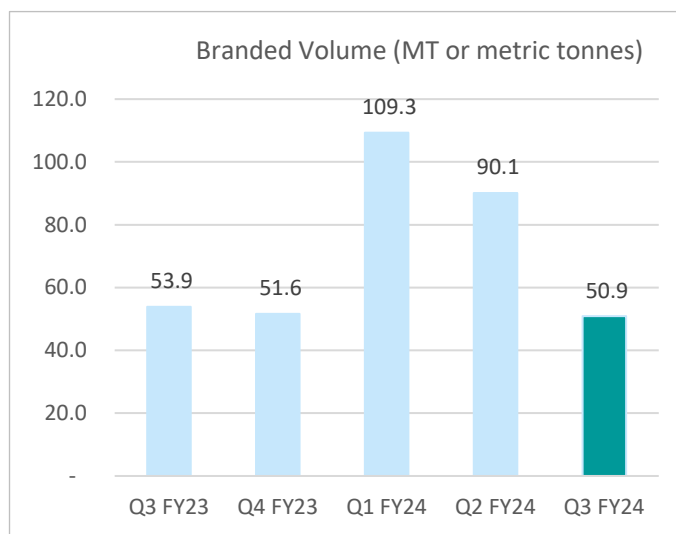
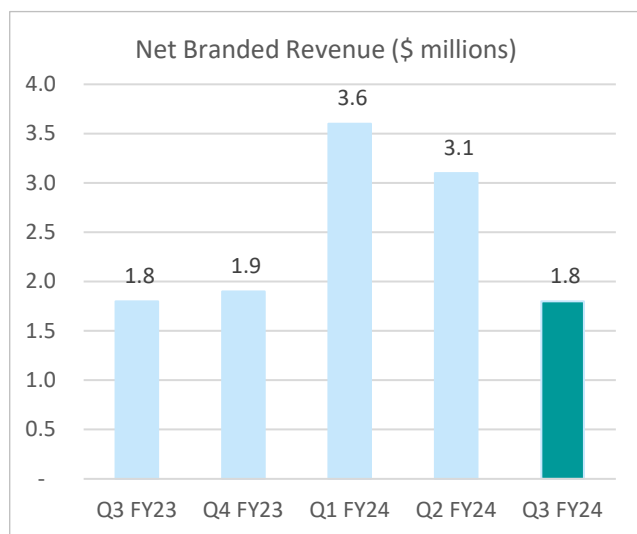
Quarterly Activity Report and Appendix 4C Maintaining Momentum in ANZ and China

Quarterly Highlights

- Group FY24 YTD revenue from Oli6® branded sales¹ of **\$8.5m** vs \$5.6m **previous corresponding period ("pcp")** with sales of **\$1.8m** for the quarter, expected and in line with the **pcp**
 - China CBEC FY24 YTD revenue from Oli6® branded sales of **\$5.1m**, an increase of **100% pcp**, with sales of **\$0.7m** for the quarter
 - Australian FY24 YTD revenue from Oli6® branded sales of **\$3.5m** an increase of **16% pcp**, with sales of **\$1.1m** for the quarter, an increase of **10% pcp**
 - Oli6® branded sales for the trailing 12 months ("TTM") ended 31 March 2024 of **\$10.4m** (2023: \$7.6m) an increase **\$2.8m** or **37% pcp**
 - **Oli6® Immunity+** is exceeding expectations and delivered **\$0.4m** at improved margins, and representing approximately 5% of FY24 YTD branded sales revenue, since launching in September 2023
 - Nuchev is on track to deliver further portfolio expansion before the end of FY24
1. Oli6® continues to drive strong momentum in the Australian Retail Goat Infant Formula ("GIF") Market, up **16.8%**² measured on a Moving Annual Total ("MAT") basis for the quarter
- Continued inventory and working capital management enabled the Group to further reduce inventory holdings to **\$3.5m** during the quarter, representing a **~40%** reduction over the last twelve months and 12.5% on the prior quarter
 - Ongoing, disciplined cash controls ensured cash used in operations was **\$0.4m lower pcp**, with the cash position at 31 March 2024 of **\$4.9m** with an additional \$0.6m financing facility available
 - Nuchev is actively pursuing new business opportunities aligned with the Group's strategy of scaling the business, expanding its portfolio offering and moving towards positive cashflows

¹ Oli6® branded sales are core business, and exclude sales of raw materials and adjustments for recognition of H&S contract incentives

² Source Iqvia Scan Data - MAT quarter to 6th April 2024



<i>Unaudited</i>	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Growth % (qoq)	Growth % (pcp)
	<i>Mar 2023</i>	<i>Jun 2023</i>	<i>Sep 2023</i>	<i>Dec 2023</i>	<i>Mar 2024</i>		
Net branded revenue (\$ millions)	1.8	1.9	3.6	3.1	1.8	-42%	-2%
Raw materials revenue (\$ millions)	0.7	0.0	-	0.1	0.3	103%	-62%
Total revenue (\$ millions)	2.5	1.9	3.6	3.2	2.1	-36%	-17%
Volume - branded (metric tonnes)	53.9	55.5	109.3	90.1	50.9	-44%	-6%

YTD Group revenue from branded sales of \$8.5m and \$1.8m for Q3 FY24, in line with pcp

Nuchev recognised net revenue from branded sales of Oli6® of **\$1.8m** for Q3 FY24.

Adjusting for seasonality and the initial pipefill associated with the changeover of China distribution partners, this result is consistent with prior periods and well planned with our CBEC distribution partners H&S.

Gross margins for Oli6® branded sales remained in line with prior periods.

China CBEC sales of \$5.1m YTD and \$0.7m for Q3 FY24

During the quarter, the Company recorded branded sales of Oli6® of **\$0.7m** in China CBEC, with total YTD sales in China CBEC of **\$5.1m** an uplift of **\$2.5m** or **100% pcp**.

Quarter-on-quarter sales in China CBEC were impacted by seasonality associated with the annual 11/11 sales event boosting Q2 sales.

This underlines the momentum achieved through the H&S agreement, the importance of the China market and the impact of major sales events on our business. Sales in Q4 are anticipated to be positively impacted by the forthcoming 6/18 sales event and the associated re-stocking to meet demand.

Sustained growth in Australian Retail up 16% YTD and 10% for the quarter

Australian retail showed sustained sales growth, with branded sales of Oli6® in Australian Retail were up **\$100k** or **~10% pcp**, with higher sales in both Grocery and Pharmacy channels. YTD sales recorded for Australian retail of **\$3.5m** are up **16% pcp**.



Oli6® scan sales across AU retail were up **+16.8% in value**³ with Oli6® remaining the fastest growing GIF⁴ brand available in all major retail outlets.

Inventory holdings reduced by 40% LTM

Nuchev's disciplined approach to inventory and working capital management has seen the Group's net inventory holdings reduced from \$5.3m at 30 June 2023 to **\$3.5m** at 31 March 2024⁵, and an overall reduction of **~40%** over the last twelve months and a 12.5% improvement over the prior quarter.

The Group will continue to drive efficiencies across its supply chain and optimise inventory levels in line with forecast sales growth.

Effective working capital management delivered closing cash position of \$4.9m at 31 March 2024

Net cash used in operating activities was **\$0.4m lower pcp** predominantly due to lower selling and marketing costs and ongoing savings in general and administration costs, down **\$0.3m pcp** in FY24.

The Group continues to maintain a robust and flexible balance sheet, with positive working capital and net assets including **\$4.9m** in cash with no debt.

Based on the net cash used in operating activities during the quarter, Nuchev's total cash and cash equivalents together with unused finance facilities available are sufficient to fund operating activities for **8** quarters an improvement compared to prior quarter.

Focusing on the future

Nuchev Interim CEO & CFO Mick Myers commented:

"It is pleasing to report we continue to maintain momentum and reap the rewards of the recent changes made within the business. With growth in retail sales across both our Australian Pharmacy and Grocery channels, combined with a significant increase in our sales in China that, this has delivered an uplift of nearly **40%** on the previous 12 months.

We are confident and excited by the opportunities ahead and are pursuing rapid organic growth, augmented by the launch of innovative new products that are compelling offerings for our channel partners and that deliver nutritional and immunity benefits to our consumers.

In FY24 we have successfully launched **Oli6® Immunity**⁺, generating **\$0.4m** of new sales to date, with further growth and new launches expected. We continue to take an active approach to optimising our inventory levels, enabling us to manage our working capital and operations more effectively.

We are actively pursuing growth opportunities in both existing and new markets, whilst remaining cost-conscious, disciplined and focused on building shareholder value."

ASX Additional Information

Pursuant to ASX Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent \$1.5m on product manufacturing and operating costs, \$0.4m on advertising and marketing, \$0.9m on staff costs and \$0.3m on administration and corporate costs during Q3 FY24.

Details of the business activities are found within this report.

Pursuant to ASX Listing Rule 4.7C.3, the Company advises that payments to related parties consist of \$78,260 to related parties.

³ Source: Iqvia Scan Data - MAT quarter to 6th April 2024

⁴ Goat Infant Formula

⁵ Unaudited financial information



The Nuchev Limited Appendix 4C Quarterly Cashflow Statement for the period ended 31 March 2024 is attached.

For and on behalf of the Company

Mick Myers

Interim Chief Executive Officer & Chief Financial Officer

Nuchev Limited

This announcement has been approved for release by the Board.

For further information please contact:

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Company Secretary

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About Nuchev Limited

Nuchev is an Australian based functional foods business built on the purpose of *Food for a Better Life*. Nuchev's products are branded under the Oli6® name and are sold in key Australian Pharmacy and Grocery channels as well as in China and Vietnam markets, through online and general trade retail. Nuchev is committed to sourcing world class ingredients and manufacturing under industry leading Australian manufacturing facilities that ensure the best possible products for our consumers.

Appendix 4C

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

Name of entity

NUCHEV LIMITED

ABN

54 163 225 090

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	2,348	8,608
1.2	Payments for	-	
	(a) research and development	(18)	(60)
	(b) product manufacturing and operating costs	(1,506)	(3,938)
	(c) advertising and marketing	(358)	(2,466)
	(d) staff costs	(863)	(2,819)
	(e) administration and corporate costs	(300)	(1,604)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	38	51
1.5	Interest and other costs of finance paid	(6)	(21)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(6)	37
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(671)	(2,212)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(2)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	1
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	(1)

3	Cash flows from financing activities		
3.1	Proceeds from equity securities	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to equity securities	-	(240)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(17)	(53)
3.7	Transaction costs related to loans and borrowings	-	(69)
3.8	Dividends paid	-	-
3.9	Repayment of selling shareholders	-	-
3.10	Net cash from / (used in) financing activities	(17)	(363)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,586	7,479
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(671)	(2,212)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	(363)
4.5	Effect of movement in exchange rates on cash held	20	15
4.6	Cash and cash equivalents at end of period	4,918	4,918

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 \$A'000	Previous Quarter \$A'000
5.1	Bank balances	1,266	6,262
5.2	Call deposits	3,653	330
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,918	6,592

6	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	78
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Item 6.1 includes:

\$78,260 paid as Director's Fees and associated superannuation to the Directors in place during the quarter.

7 Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	550	-
7.3	Other credit facilities - Refer below	70	13
7.4	Total financing facilities	620	13
7.5 Unused financing facilities available at quarter end			607
7.6	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.		
Facilities comprise:			
- Standby letter credit facility of \$550k secured against a cash-backed deposit, with an interest rate of 4.53%			
- Other credit facilities comprising a Credit Card Facility of \$70k.			
These facilities are held with ANZ and are reviewed annually			

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(671)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,918
8.3 Unused finance facilities available at quarter end (Item 7.5)	607
8.4 Total available funding (Item 8.2 + Item 8.3)	5,525
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	8.2

Compliance Statement

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

Date: 24 April 2024
 Authorised by: the Board of Directors
 (Name of body or office authorising release - see note 4)

Notes

- 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.
- 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.
- 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.
- 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".
- 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.