

## Trading update: Accelerating US retail sales underpin record period for Nutritional Growth Solutions

### Highlights:

- Accelerating US sales underpin quarterly revenue of US\$828,000<sup>1</sup> (A\$1.28 million), up 31% on previous corresponding period (pcp)
- Company reports third consecutive quarter of double-digit quarter-over-quarter revenue growth
- Executing on NGS' North America retail strategy:
  - Healthy Heights® now on shelf in 403 Walmart retail stores across the US
  - Increasing online sales through Walmart.com, Kroger.com, Smiths.com, Ralphs.com and RangeMe.com
  - Agreement to distribute Healthy Heights® to The Healthy Edge network of 20 natural foods stores across four US states
  - Distribution agreement with the largest natural products wholesale distributor in the US, United Natural Foods, to distribute NGS' entire 22 product Healthy Heights® range
- Plans underway for additional retail brand rollout in the US

**4 October 2022 – Nutritional Growth Solutions Ltd (ASX: NGS; “the Company” or “NGS”)**, a leading premium provider of evidence-backed, clinically-studied nutrition products for children, is pleased to announce that it has generated record third quarter revenue of US\$828,000 (A\$1.28 million), up 31% on the previous corresponding period (pcp), underpinned by accelerating retail sales in the United States.

NGS' US retail strategy comprises four complementary initiatives:

- 1) in-store rollout through 403 Walmart stores
- 2) online sales through Walmart.com, Kroger.com, Smiths.com, Ralphs.com and RangeMe.com
- 3) retail agreements with The Healthy Edge Group's three brands - Akins, Chamberlain's and Earth Origen Market
- 4) distribution through wholesale distributor United Natural Foods Inc (NYSE:UNFI).

### NGS CEO and Managing Director, Liron Fendell said:

“All our key indicators are trending positively as our business scales. Underpinning our accelerating growth is our focused multi-channel US retail strategy. Supported by a strong distribution network in-store and

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<sup>1</sup> Unaudited



online, and recently upgraded US manufacturing facility, we are well placed to deliver on the potential we see for our unique products.

“It is particularly pleasing to see our online channels taking off quickly, with a large proportion of those sales being through subscribers and leading to repeat sales, providing a more stable revenue stream. Initial orders for in-store stock at Walmart are also expected to start being replenished as sales increase through this bricks and mortar channel.

“We have worked hard to get our Healthy Heights® products on shelf in a complementary range of retail outlets such as Walmart that caters to mass consumers, as well as specialist providers like the Healthy Edge network – all supported through distributions centres and wholesale arrangements. This approach has provided us with a base that attracts other retailers, and we expect to increase our on-shelf presence with more retail brands across the US in the near future.”

*This announcement has been authorised for release by the CEO and the Chairman 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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