



ASX:NGS



Nutritional Growth Solutions

Results & Strategy Presentation
February 2023

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Corporate Snapshot



Nutritional Growth Solutions (ASX:NGS) creates nutritional paediatric products that are scientifically formulated by doctors, patented and clinically proven to support growth development in children.

In September 2022, the Company's products were stocked by leading US retailer, Walmart, with Healthy Heights being sold across 409 stores nationally, and strong initial sales results providing significant potential for expansion with a clearly defined growth strategy.

In February 2023, the Company appointed Stephen Turner as CEO to drive the next stage of growth, contributing over 20 years' industry experience having held senior roles with numerous multinational health and pharmaceutical companies.

Key Metrics

ASX Code	NGS
Shares on Issue	148,307,452
Options*	19,980,000
Share price (as 22 February 2023)	A\$0.027
Market Capitalisation	A\$4.0m
Cash	A\$1.5m
Enterprise Value	A\$2.5m

Board & Management

David Fenlon	Chairman
Steve Turner	Chief Executive Officer
Liron Fendell	Non-Executive Director
Dr Kinneret Livnat	Non-Executive Director
Prof. Ranaan Shamir	Executive Director
Peter Osborne	Non-Executive Director

*Various exercise prices and expiry prices

Investment Highlights



NGS has established strong foundations in the US\$20B grow-up milk market and continues to build momentum for the next stage of growth in 2023 in beyond.

Newly Appointed CEO

Driving the next stage of growth in north America

Sold through Walmart

Walmart Now stocking Healthy Heights with significant opportunities for expansion

Future opportunities in China and South East Asia

Strategic opportunities in global markets with with discussions continuing

Patented, Clinically tested products designed by doctors

Created at a leading children's hospital with a unique offering in the market

49% Gross Profit Margin

Strong gross margin will be critical to gain profitability

Unlocking Potential Growth

Increase Walmart sales to maximize revenue in US market

1 - Source: Frost & Sullivan

Created by expert physicians at a world-renowned pediatric hospital



Annually **20,000 children** visit Schneider Children's Medical Center of Israel with growth issues.



For years, world-renowned scientists, doctors and researchers at Schneider's have focused on children's nutrition and growth



Clinical studies at Schneider's make it possible:

- ✓ To get patents on the products
- ✓ To write claims on the packaging
- ✓ To sell products we know actually work



The Problem: Nutrition Gaps are Preventing Children from Achieving their Full Potential

97% of parents agree that eating habits during childhood will have a **lifelong impact** on their child's health.

17% rate their own children's diet as very healthy.



Doctors believe genetics account for about 80% of a person's height, and environmental effects, mainly nutrition, account for the rest.



Current nutritional solutions fixate on sugar addiction, taste, and empty calories—with little to no health benefit for growing children.



This massive gap in eating habits and nutrition leaves the remaining **80% of parents lost without an effective solution.**

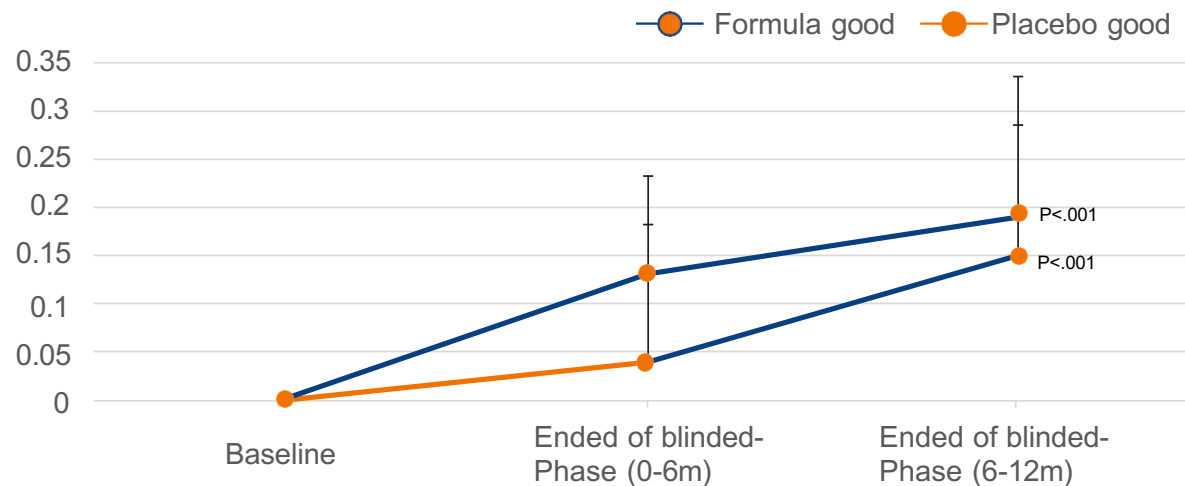


Results: Healthy Heights Grow Daily® 3+ Clinical Study



The JOURNAL
of PEDIATRICS

At 6 months, children who consumed Healthy Heights Grow Daily 3+ demonstrated **significant increases in height and weight**, compared to children consuming the control supplement



**Prospective, randomized,
double-blind, placebo-
controlled study (n=200)**

The children who received Healthy Heights Grow Daily 3+ grew by **13.8 - 34%** more in height than the children who received the placebo.

They gained height and weight, **without an increase in BMI**, showing that growth was proportional, not obesogenic.

Source: Journal of Pediatrics, Labenthal et al, 2014; Yackobovitch-Gavan et al, 2016

The Market: A Significant Growth opportunity



Growing Up Milk (GUM) for children aged 1 year onwards is increasingly popular among parents.



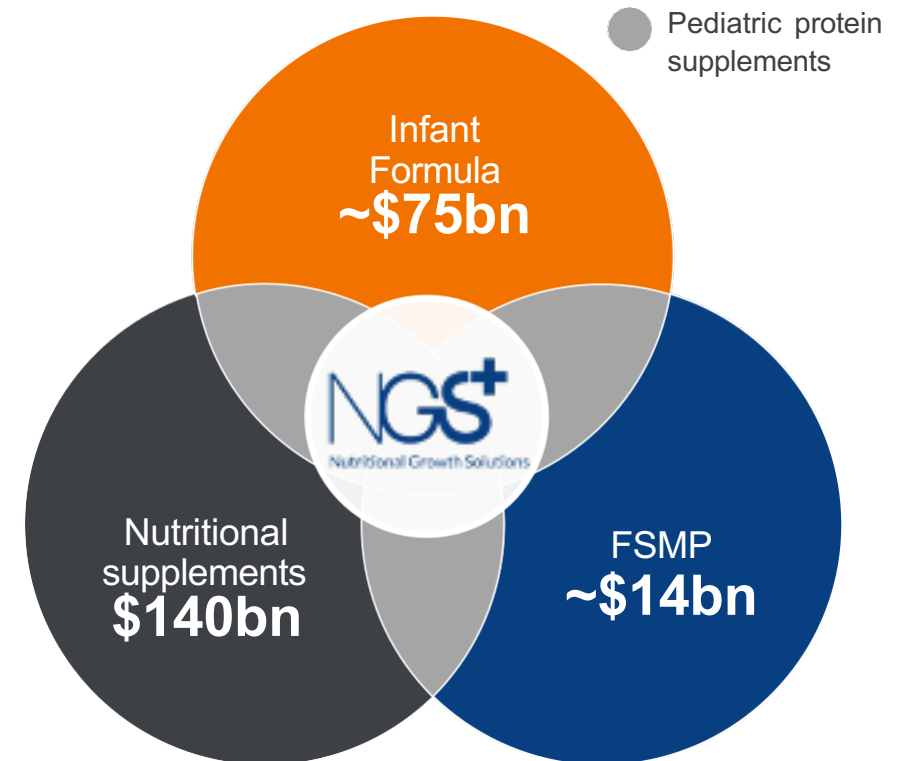
As the birth rate declines globally and the average number of children per household reduces towards 1 or 2 kids, parents pamper their kids more and want the best for them.



Such trends have spurred parents to spend more on their kid's wellbeing such as nutrition intake and education which supports the US\$20B GUM market and is expected to have a CAGR of 6.1% from 2020 to 2025.



Categories of Nutritional Products Market sizes



Source: Frost & Sullivan

A portfolio of products built on consumer insights and science



Newly appointed CEO to drive the next stage of growth



Stephen Turner has a proven track record in unlocking brands to multi-million dollar revenues in the US market



Stephen Turner
CEO

- Over 20 years' industry experience having held senior roles with numerous multinational health and pharmaceutical companies.
- Former VP of Sales at PharmaCare managing, and controlling the sale functions across all lines of business for the company's brands including Sambucol, Promensil, Skin Doctors Real Health, Real Health Superfoods and Kids Smart brands in North America.
- Holds experience in listed companies and capital markets, having held the role of VP of Sales and Marketing at New York Stock Exchange listed Strides Pharma Science Inc. (NYSE:STAR), an International pharmaceutical company specialising in development and manufacturing services.
- At Strides Pharma he was responsible for overseeing intermediates operating globally in over 80 different geographies.
- With a strong understanding of science and technical aspects, combined with the ability to formulate and implement creative and engaging marketing strategies, he has a proven industry track record in sales and expansion.

“Over the past 12 months, we’ve achieved significant milestones in the US market, with the Company having laid a solid foundation for the expansion of NGS’ North American business in 2023 and beyond.

With Healthy Heights products being successfully sold through 409 Walmart stores in the US, a significant opportunity exists to further increase sales velocity and expand into a greater number of the 3,500 total Walmart stores across the US. With an additional product under development in collaboration with Walmart, the increased ranging has the potential to further increase revenue.

Leveraging our solid consumer demand, as demonstrated by our encouraging initial sales at Walmart, we also aim to drive further growth by expanding our US distribution footprint into additional national and regional retailers.”

**Stephen Turner
Managing Director & CEO**



2023 Growth Strategy

A clearly defined strategy for US expansion in 2023 and beyond



✓ Increase Sales Velocity

Increase Walmart sales velocity (units sold per week) from the current 1.2 to 1.5 through the continued execution of NGS' strategic and targeted North American marketing campaign.

✓ Grow Number of Stores

Increased sales velocity will result in NGS' products being stock in a greater number of the total 3,500 North American Walmart stores.

✓ Expand Product Lines Through Further Development

New NGS product 'Happy Tummies' to be stocked in Walmart by Q3/Q4 further increasing revenue, with NGS continuing to work with Walmart to identify further product development opportunities.

✓ Increase US Retail Distribution

Gain further retail distribution in the US with additional retailers seeking to leverage off Walmart's sales success.

✓ Continued Support and Optimization on Amazon and E-Commerce platforms

Build on momentum gained in Q3/Q4 '22 with newer campaigns and content to build on growth in daily sales and reach. Provides a needed platform while we grow the retail channel

Walmart – A Significant Opportunity for NGS

Walmart is the largest retailer in the US with revenues of over US\$360B per annum



Source: IGD Research. *

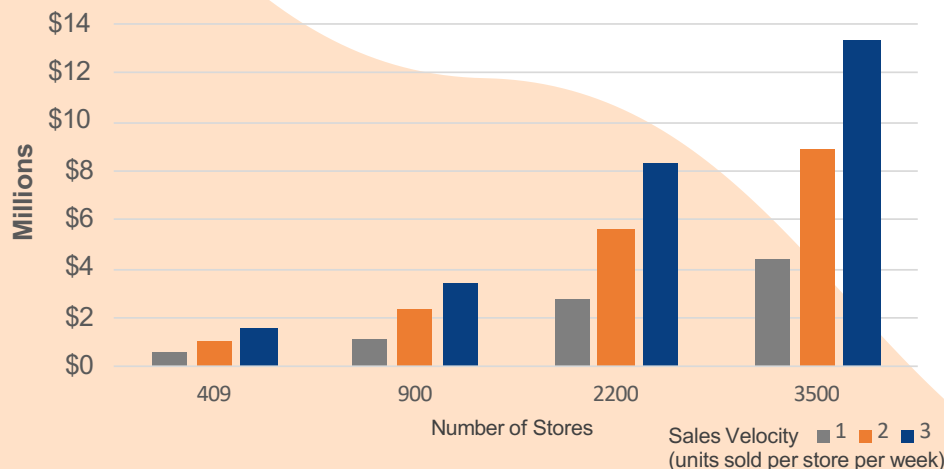
Please note excludes non-grocery sales and wholesale operations

Walmart Sales Growth Potential is Significant

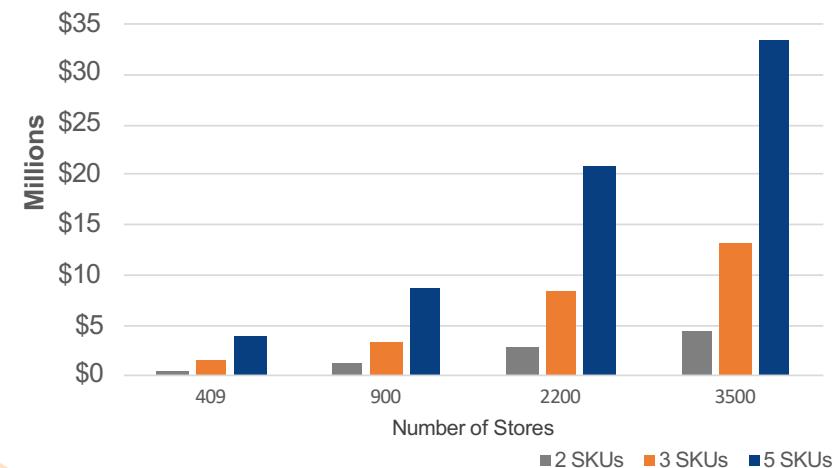


- Based on current performance, the below charts demonstrate the potential of expanding Walmart sales over time.
- The chart on the left shows the potential annualised revenue based on total number of Stores vs Sales Velocity, with NGS currently selling at a velocity of 1.2.
- The chart on the right shows the potential revenue increases as the number of NGS products sold through Walmart increases.
- NGS currently has two products stocked by Walmart with a third being placed in Q4 this year.
- Based on sales performance online, it is possible that we will add the third flavor and increase our placement to 4 items or more over the next 12-18 months.
- As SKU and Store counts increase, sales can grow over time and illustrate the importance of our retail expansion

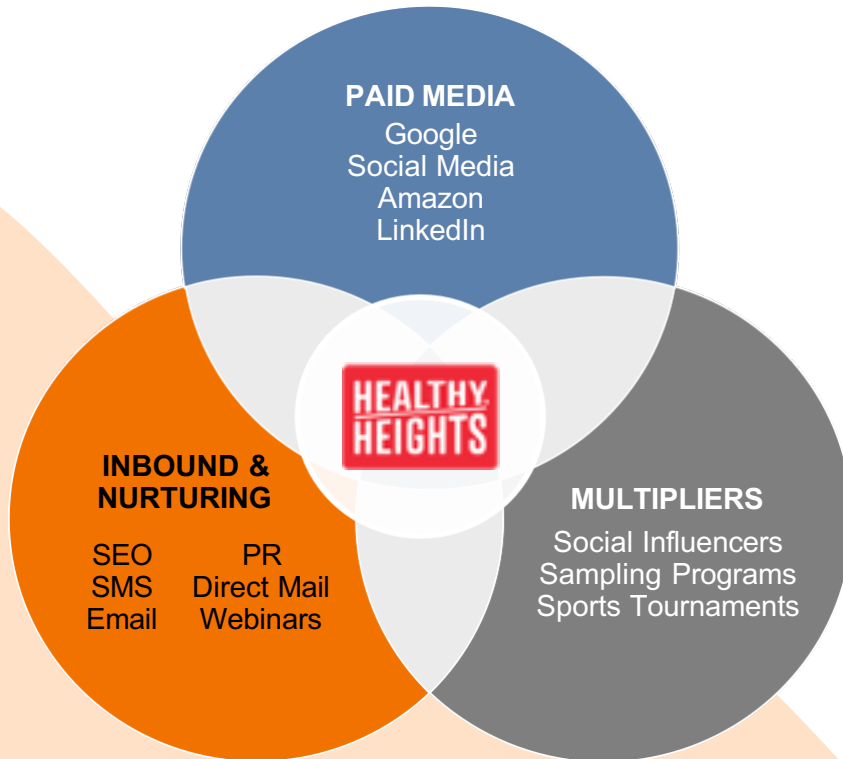
**Annualised Revenue Potential Based on Two SKUs
Stores vs Sales Velocity**



**Annualised Potential Revenue
With Increasing SKU Count**



Robust Marketing Strategy to Support Growth



- ✓ Utilise custom paid Digital Media to educate customers, drive awareness and create demand for both digital and brick and mortar channels.
- ✓ NGS is a digitally emerging brand quickly becoming the market leader of premium quality nutrition for children worldwide, loved by parents with 4.5 product star average ratings.
- ✓ Annual reach of over 50 million, with a loyal customer base and a strong 42% returning customer rates.
- ✓ Customer Lifetime Value of \$1,800 annually when taken as directed (Grow Daily 3&10+)
- ✓ Advertising driving high order values averaging A\$65 with strong bi-weekly repurchase rates.

Operating Under Flexible Business Models



Licensing – Licensed flagship product to Hindustan Unilever in India as Horlick Growth Plus



Distribution – exclusive distribution agreements in Italy and Poland



B2C – selling under the Healthy Heights® brand in North America



Major Achievements & Future Growth Agenda



	Q3 CY2022	Q4 CY2022	Q1 CY2023	Q2 CY2023	Q3 CY2023	Q4 CY2023
Timeline						
Highlights	NGS on shelves in Walmart	Poland exclusive distribution agreement	Walmart expands distribution of NGS products	NGS Australia launch	Increase number of SKU's and stores with Walmart	Healthy Heights stocked with additional US retailers
		250% growth at Walmart	New CEO to drive North America growth	Increase sales velocity in Walmart, maintain strong month-over-month growth	South East Asia distribution agreement	Clinical trial results from the sports study

NGS Continues to Execute on a 3 Pillar Growth Strategy



Pillar 1: Products



Expand product lines through further development

Pillar 2: Global Expansion



Unlock opportunities in the global market through strategic partnerships

Pillar 3: Sales Channels



Grow number of stores and increase sales velocity

Nutritional Growth Solutions

Let's Grow Together

STEVE TURNER

Chief Executive Officer

✉ steve@healthyheights.com

☎ Tel: +1 (425) 591 1087

Approved for release by the Board of Directors

