

ASX:NGS



Nutritional Growth Solutions

**A Global Nutrition Company Expanding
it's US Business with a focus on Walmart**

Investor Presentation

August 2023

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Corporate Snapshot

Healthy Heights[®] is the creation of Nutritional Growth Solutions (ASX:NGS) and a team of pediatric endocrinologists and nutritionists at the Schneider Children's Medical Center in Tel Aviv, Israel, with the products clinically proven to support growth development in children.

Kidz Protein[®] is currently stocked in 465 Walmart Stores and continues to outperform Walmart buyer expectations, with Happy Tummies[®] to be stocked in 795 Walmart Stores from August 2023.

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

NGS has also recently undergone a strategic restructure to simplify operations and a stronger foundation, with a significant reduction in costs realised and further gains ahead.

Key Metrics

ASX Code	NGS
Shares on Issue	251,227,397
Options ¹	62,969,537
Share price (14 August 2023)	A\$0.021
Market Capitalisation	A\$5.3m
Cash ²	A\$1.2m
Enterprise Value	A\$4.1m

Board & Management

David Fenlon	Chairman
Steve Turner	Chief Executive Officer
Peter Osborne	Non-Executive Director
Prof. Raanan Shamir	Non-Executive Director
Rachel Hirsch	External Director
Guy Khavia	External Director

1 - Various exercise prices and expiry prices
2 - \$265k at 30 June 2023 + \$962k raised in August 2023.

Premium Nutrition for Children

Leading the Field of Child Growth and Development

- Every child has the inherent right to balanced nutrition
- High quality nutrition affects positive outcomes
- We believe in healthy nutrition for children around the globe
- NGS aims to be the market leader of premium quality nutrition for children worldwide by 2028



Investment Highlights

NGS has established strong foundations in the US\$20B¹ grow-up milk market and continues to build momentum for the next stage of growth in 2023 and beyond

Newly Appointed CEO

Driving the next stage of growth in north America

Sold through Walmart

Walmart stocking two Healthy Heights® products with significant opportunities for expansion

Future Opportunities in China & South East Asia

Strategic opportunities in global markets 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 gaining profitability

Unlocking Potential Growth

Increase Walmart sales to maximize revenue in US market

Strategic Restructuring

Simplified operations, a stronger foundation with significant reductions in costs realised and further gains ahead

Nearing Cash Flow Positive

US business nearing cash flow neutral, with NGS on track to be cash flow neutral or positive by the end of Dec '23

Created by Expert Physicians at a World-Renowned Pediatric Hospital



Preeminent medical and treatment center for growth and development disorders in children.

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.

The research and treatments conducted at Schneider become one of the foundations of the treatments utilized in children around the world.



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 Market: A Significant Growth opportunity



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



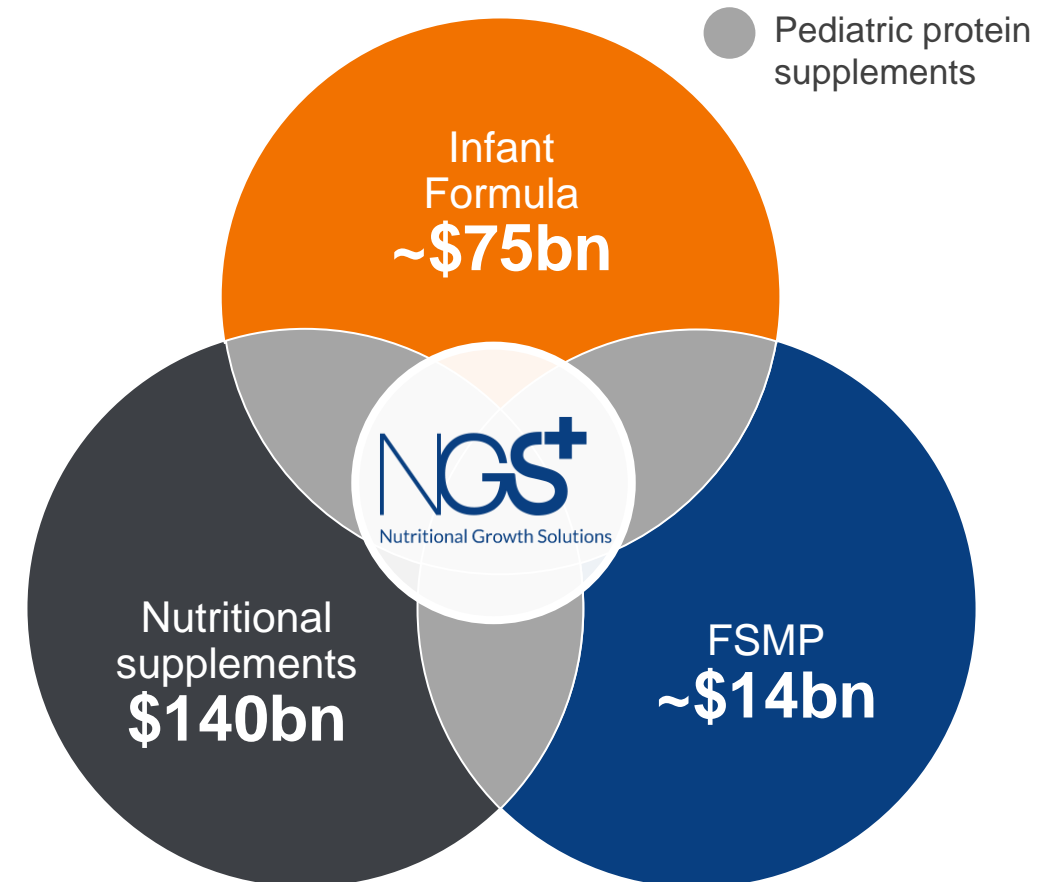
As the birth rate declines globally and the average number of children per household reduces towards 1 or 2 kids, parents pamper their kids more and want the best for them.



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



Flagship Product: Grow Daily

- ✓ Developed & tested in a **clinical study by Pediatricians** with over 20 years experience and published in the *American Journal of Pediatrics*
- ✓ Patented formula & use, shown to **help kids ages 3-9 grow in height and healthy weight**
- ✓ **Good Housekeeping Parenting 2022 Award Winner**
- ✓ Uniquely designed to support healthy immune function
- ✓ **12 grams of protein** per serving
- ✓ No artificial colors or flavors, corn syrup, GMO's
- ✓ Free from Soy and Gluten



A Portfolio of Products Built on Consumer Insights and Science



How Healthy Heights® Compares



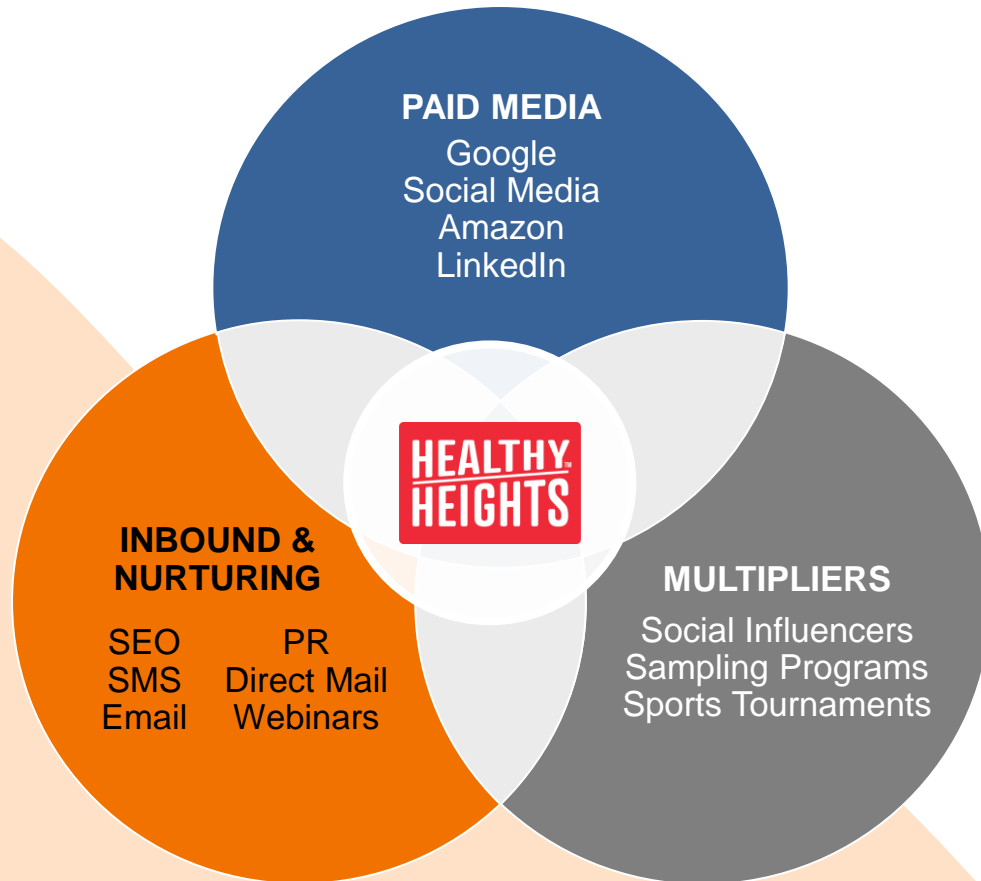
	Grow Daily® 3+ Nutrition Shake	Grow Daily® 10+ Boys Nutrition Shake	Kidz Protein® Nutrition Shake	PediaSure Grow & Gain Nutrition Powder	PediaSure PRO (ages 9-15)	Boost Kid Essentials Drink	Orgain Kids Protein Shakes	Carnation Instant Breakfast
Protein Per Serving	12g	18g	10g	6g	13g	7g	8g	5g
Total Sugar Per Serving	9g*	9g	6g	12g	8g	9g	9g	19g
Added Sugar Per Serving	3g*	4g	4g	12g	8g	9g	9g	12g
Calories Per Serving	180	290	90	220	180	240	180	220
Artificial Flavors or Colors	No	No	No	Yes	Yes	No	No	No
Serving Size/FL Ounces	43g/4 FL oz	65g/6 FL oz	25g/4 FL oz	49g/6 FL oz	8 FL oz	8 FL oz	8.25 FL oz	36 g/8 FL oz
Price Per Serving	\$2.46	\$3.70	\$0.94	\$1.75	\$1.92	\$1.62	\$1.98	\$1.30
Price Per Gram of Protein	\$0.22	\$0.20	\$0.19	\$0.29	\$0.15	\$0.23	\$0.24	\$0.13
Protein Per Ounce	3g	3g	2.5g	1g	1.5g	1g	1g	1g

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) 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 795 Walmart stores from September 2023, 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 whilst NGS grows the retail channel.

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.

Strategic Restructure & Cost Reductions

Simplified operations and a stronger foundation, with a significant reduction in costs realized and further gains ahead

- Represents a major pivot for NGS with a continued focus on its US business, ensuring that operational costs are in line with the current operational plan and focus on the North American market.
- Significant structural changes already made to the US team to focus all resources on maintaining sales momentum and growth opportunity.
- The net result of these operational changes in the US will translate to approximately US\$720K in annual savings related to personnel and selling costs.
- The restructuring has provided a significant reduction in costs without impacting sales.
- Includes the reorganisation and simplification of the Company's corporate operations.
- A significant reduction in management positions across the business.
- Outsourced functions to dramatically reduce operating costs.

US\$1.9m
Expected in Total
Annual Cost Savings

Once the restructuring efforts have been fully implemented, NGS expects to significantly reduce annual Selling, General and Administrative expenses by approximately US\$1.9 million in 2023 or 34% compared to total expenses in 2022.

NGS Continues to Execute on a 3 Pillar Growth Strategy

Pillar 1: Products



Expend 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

Walmart – Targeting More Stores & Higher Sales

Healthy Heights® continues to exceed Walmart's expectations strongly positioning the number of Walmart stores to be further increased

Kidz Protein® - 465 Walmart Stores

- Number of Walmart stores increased from 409 to 465, following initial performance of Healthy Heights® Kidz Protein®.
- NGS is aiming to deliver further store increases and higher sales.
- Specially formulated protein powder shakes designed for children ages 2+ years old.



Happy Tummies® - 795 Walmart Stores

- Walmart has confirmed a total of 795 stores to stock NGS's new Happy Tummies®.
- Product distribution commencing early August 2023 with potential to drive significant new revenue.
- Prebiotic and probiotic fibre supplement developed in collaboration with Walmart, following initial performance of the Kidz Protein® and Grow Daily® products.



Walmart – A Significant Opportunity for NGS

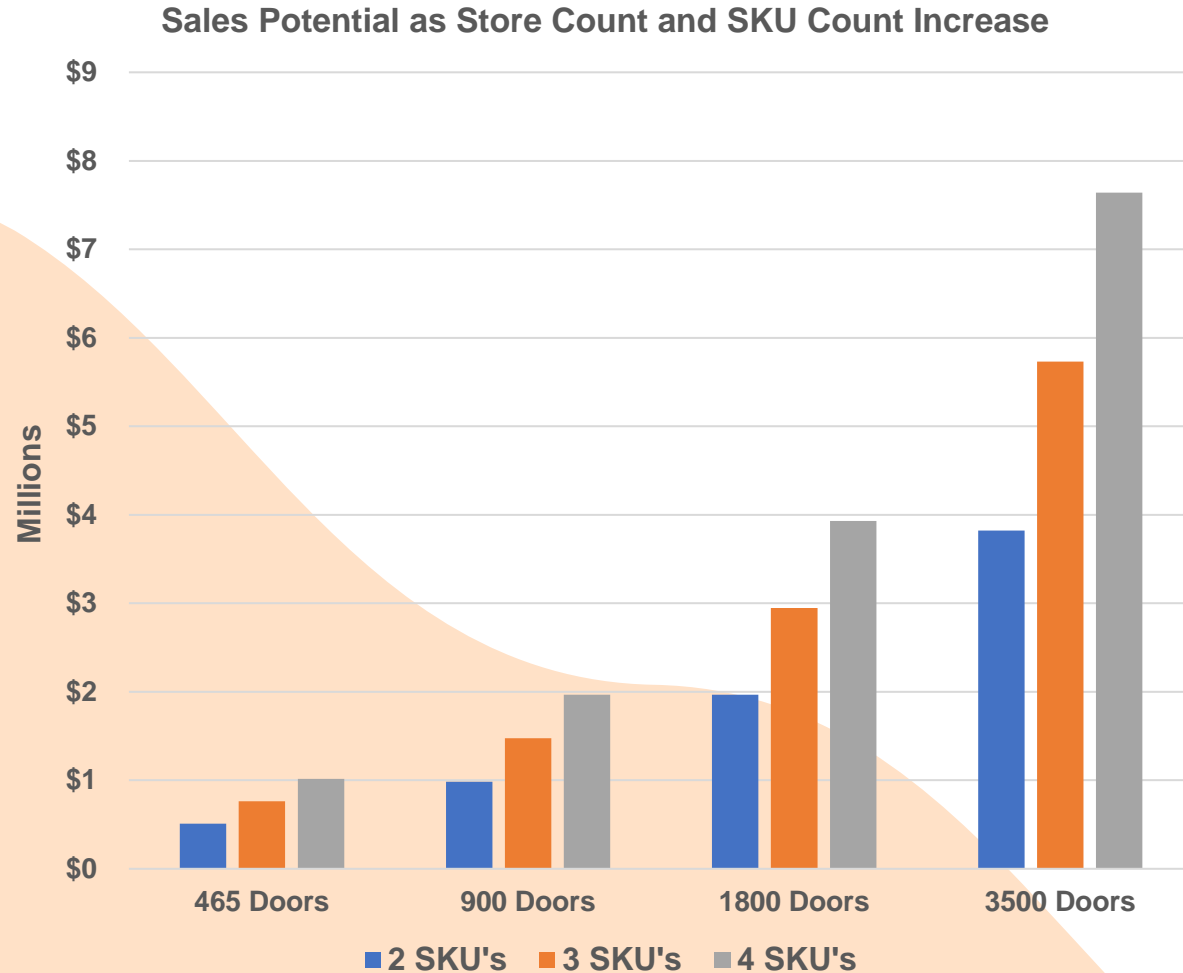
Walmart is the largest retailer in the US with revenues of over US\$360B per annum



Source: IGD Research. *

Please note excludes non-grocery sales and wholesale operations

Walmart Sales Growth Potential is Significant



- Based on current performance (POS data Aug.2023), this chart demonstrates the potential of expanding Walmart sales over time.
- Using NGS's current sales velocity, if the revenue potential for the 2 items (SKU's) already have on shelf is calculated, the impact of both store increases and item expansion can be seen over time.
- The goal for growth is now based on supporting consumer demand in-store at Walmart for Healthy Heights® products.
- As NGS continues to demonstrate consumer demand, further expansion in both store count (expanded distribution), store departments (other locations in store) and SKU expansion will be realised.
- The Company's conservative goal is to get 4 items in-store being sold through 2400-2800 Walmart stores.

CVS & iHerb Onboarding

Healthy Heights[®] products to be stocked by multi-billion dollar eCommerce platform iHerb and CVS Pharmacy owned alternative formats



iHerb

- Onboarding process with iHerb near completion and first sales expected to commence in Q3 2023.
- Initial order to be for approximately US\$10k and an annualized potential for over US\$1m+ in sales and volume will be monitored over a short period to set the expectation for sales velocity with future orders to be subsequently placed.
- iHerb currently services over 10 million customers, across 180 countries, focused on health and wellness products.
- Substantial growth forecast through this retailer with iHerb's strong focus on sales outside the US, mainly Asia.
- The agreement incorporates performance bonuses designed to drive growth and increase annual sales targets.
- Awareness gained through iHerb expected have a positive effect on Amazon and Health Heights[®] web store sales.



CVS Pharmacy Alternative Formats

- Onboarding process advancing for two Healthy Heights[®] products with NGS to become a vendor to CVS Pharmacy owned tailored offerings stores focused on servicing the Hispanic community - products expected in-store Q1 2024.
- CVS Pharmacy Alternative Formats includes approximately 1500 stores, servicing the Hispanic community across a variety of banners including, CVS YMás, CVS and Navarro Discount Pharmacies.
- Healthy Heights[®] products to be part of a multi-brand, combined "Power Wing" display, aimed to drive awareness and focus on children's nutrition.
- Final store counts to be confirmed, with discussions regarding the configuration of the fixed display unit will continue to be finalized as part of the onboarding process.



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.



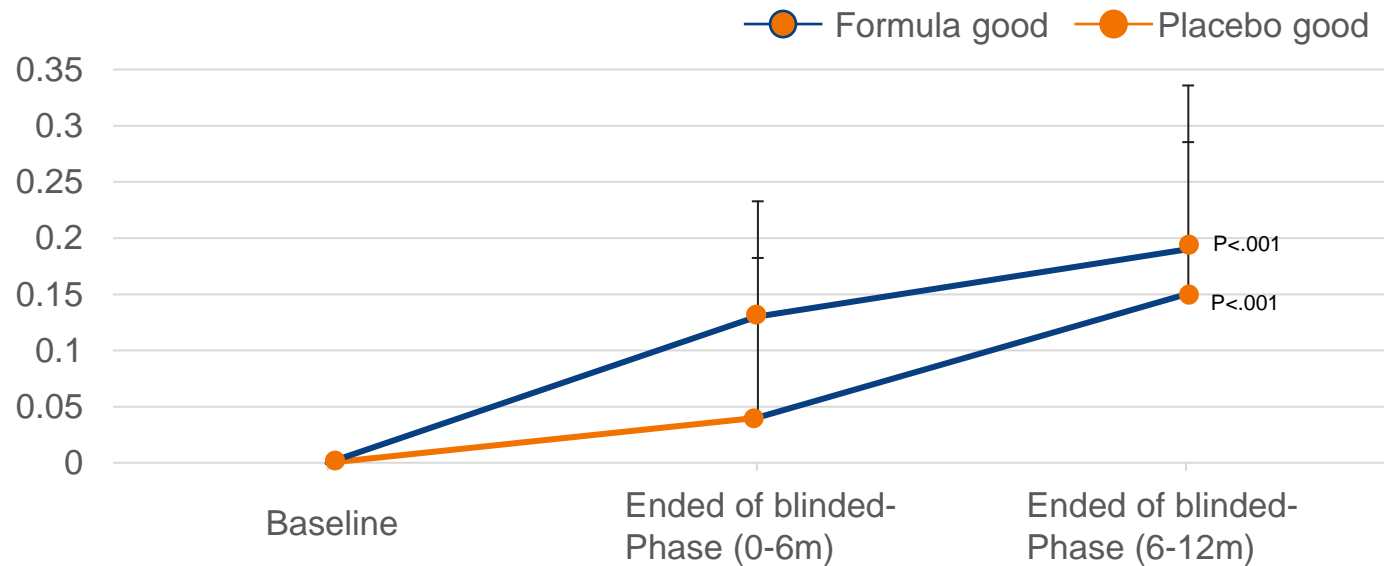
This massive gap in eating habits and nutrition leaves the remaining **80% of parents lost without an effective solution.**



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.

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 Kidz Protein® being successfully sold through 465 Walmart stores and Happy Tummies® to be stocked in 795 Walmart stores from August 2023, 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.

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



Operating Under Flexible Business Models



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



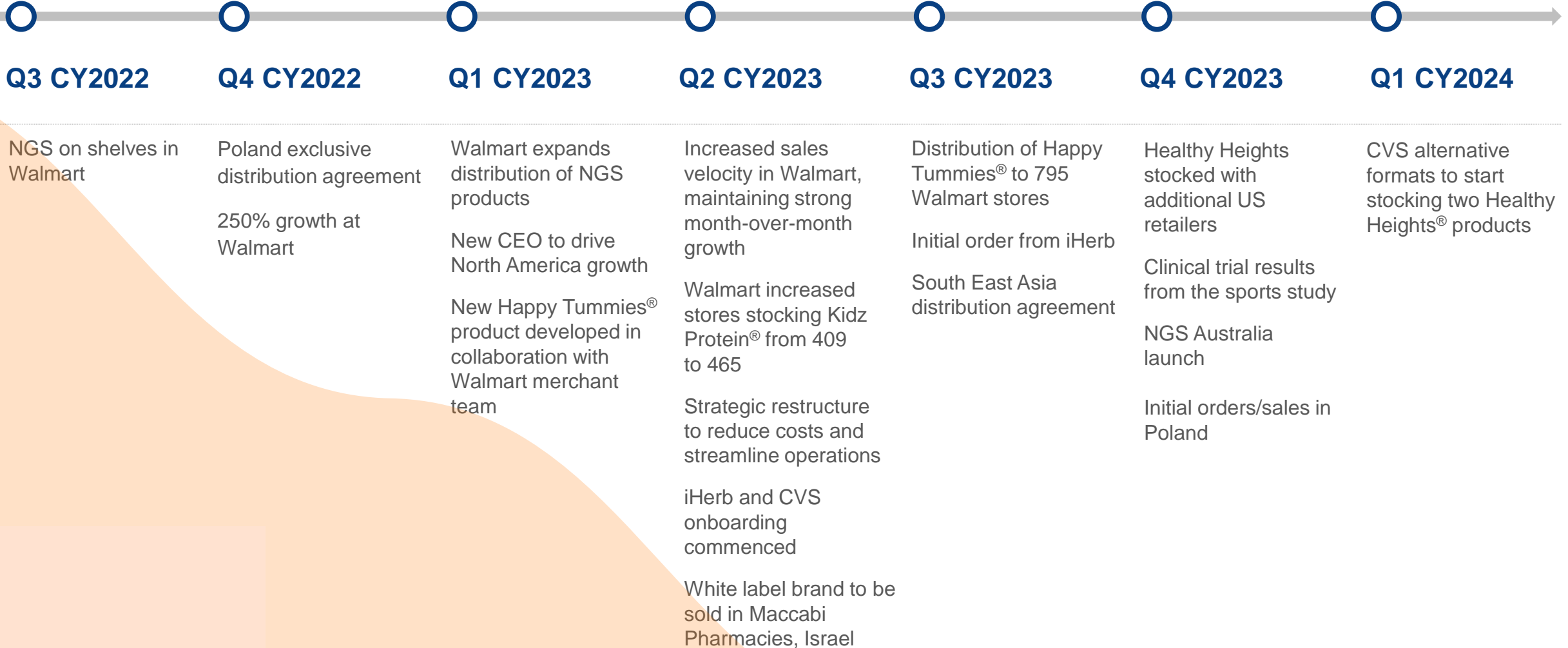
Distribution – exclusive distribution agreements in Italy and Poland



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



Major Achievements & Future Growth Agenda



Nutritional Growth Solutions

Let's Grow Together

STEVE TURNER

Chief Executive Officer

✉ steve@healthyheights.com

☎ Tel: +1 (425) 591 1087

