

## **NGS Now Stocked in 465 Walmart Stores, CVS & iHerb Onboarding**

### **HIGHLIGHTS**

- **Strong sales through Walmart continued with 66% of stores stocking NGS Products selling at an average sales velocity (units sold per store per week) of 1.15.**
- **Number of Walmart stores now increased to 465, with the Company aiming to deliver further store increases and higher sales.**
- **NGS' has begun the onboarding process with two new retailers iHerb and CVS Pharmacy owned Alternative Formats, with these retailers expected to significantly contribute to NGS revenue and retail expansion efforts.**
- **iHerb has selected the full Healthy Heights® product range for their eCommerce platform with initial sales anticipated to commence June 2023. Annual sales expectations for this new e-commerce retailer are expected to be significant.**
- **iHerb currently services over 10 million customers, across 180 countries, focused specifically on health and wellness products.**
- **Onboarding commenced with CVS Pharmacy tailored offerings stores on 2 items in the Healthy Heights® portfolio, with placement on shelves in Q1 2024. Final store count, banners and locations to be determined.**
- **The Company expects further US retailers to start ranging NGS products, leveraging off Walmart's sales success as NGS continues to execute on its North American expansion strategy.**

**Nutritional Growth Solutions Ltd (ASX:NGS) ("NGS", or the "Company")** a global nutrition company creating clinically proven products to support growth and development in children, is pleased to provide an update as the Company continues to execute on its North American expansion strategy.

Strong sales through Walmart continued for the 13 week period to 9 May 2023, with 66% of stores stocking NGS Products selling at an average sales velocity (units sold per store per week) of 1.15, and an average sales velocity of 0.76 across all Walmart stores. This slight decrease in the average sales velocity from the 0.97 reported in the March 2023 quarterly, reflects the 56 new Walmart stores that NGS' products have been stocked in this month (Refer ASX Announcement - 8 March 2023).

Sales velocity continues to exceed 0.5 expected by the Walmart category buyer, with the Company aiming to deliver further store increases and higher sales.

NGS products are to be stocked by multi-billion dollar eCommerce platform iHerb and CVS Pharmacy owned alternative formats, CVS YMás and Navarro Discount Pharmacy (Florida), with these retailers expected to significantly contribute to NGS revenue.

First sales through iHerb are expected to commence in June 2023 with the initial order to be for approximately US\$10,000 and an annualized potential for over US\$1,000,000 or more in sales. NGS is forecasting substantial growth through this retailer with iHerb's strong focus on sales outside the US, mainly in Asian markets. The agreement with iHerb also incorporates performance bonuses designed to drive growth and increase annual sales targets.

The Company also expects that the brand awareness gained through iHerb will have a positive effect on sales through Amazon and NGS' online web store.

NGS has also commenced the onboarding process with CVS Pharmacy owned tailored offerings stores focused on servicing the Hispanic community, with products expected to launch in-store Q1 2024. Final store count, location and selected banners are to be determined. 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. According to company information, CVS YMás currently has 575 stores across FL, CA, TX, NY & NJ, and 22 stores in Puerto Rico. The CVS tailored offering stores also include the Navarro Discount Pharmacy with 32 stores in Florida and over 970 value stores across the United States.

NGS has commenced the process of onboarding with CVS Pharmacy for two Healthy Heights<sup>®</sup> products to be set in permanent planogram/modular for these stores, with the Company's products to be part of a multi-brand, combined "Power Wing" display, aimed to drive awareness and focus on children's nutrition.

The onboarding and final store counts will be confirmed over the coming months, while discussions regarding the configuration of the fixed display unit will continue to be finalized as part of the onboarding process.

**NGS' CEO, Stephen Turner, commented:** *"We are very excited to see the entire Healthy Heights product range stocked on iHerb's e-commerce platform and we look forward to working closely with iHerb to deliver our premium quality products to an even broader customer base around the world. Although the initial order is expected to be approximately US\$10,000, the agreement with iHerb incorporates performance bonuses designed to drive growth and increase annual sales targets, and we expect this sales channel to significantly contribute to NGS revenue. In addition, having NGS products stocked on iHerb will further build brand awareness, which is expected to result in a positive flow on effect to the Company's Amazon business and the NGS webstore."*

*"We are also very pleased to have commenced the onboarding process with CVS Pharmacy Alternative Format stores. We are looking forward to having two Healthy Heights products to be displayed in a multi-brand modular set up aimed at promoting children's health and nutrition. We expect these stores to be both a catalyst for further expansion and a strong revenue driver for the Company as we pick up more physical distribution with our brand Healthy Heights. We continue to work with CVS during the onboarding process and look forward to confirming store numbers."*

*"NGS continues discussions with leading retailers across the United States, and we expect to see further expansion of the Healthy Heights brand as additional stores seek to leverage off Walmart's sales success."*

It should be noted that although the Company considers the opportunity with iHerb and CVS Pharmacy owned Alternative Formats of a high potential to increase revenues, the agreements with iHerb and CVS, and the increase in the number of Walmart stores and are not currently material as there are no minimum order sizes nor guarantees of future revenue.

### **About iHerb**

iHerb is trusted by over 10M customers annually in over 180 countries, and empowers people to enhance their health, happiness, and well-being. As a multi-billion dollar eCommerce platform, iHerb is on a mission to offer its customers the world's best selection of health and wellness products at the best possible value, delivered with the most convenient experience. The company believes that health and wellness should not be a privilege but a universal right made possible through compassion and its collective action – and everyone, no matter who they are or where they are, should have easy access to products that will help them live their healthiest, best life.

<https://www.iherb.com/>

### **About CVS Tailored Offerings – Alternative Formats**

The CVS Tailored Offerings office manages approximately 1,500 Stores across 2 banners: Hispanic Stores: Servicing the Hispanic community regardless of income - 575 CVS YMás across FL, CA, TX, NY & NJ - 22 CVS in Puerto Rico - 32 Navarro Discount Pharmacy (Florida) Value Stores: - 970 Value Stores.

*-ENDS-*

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