



Quarterly Activity Report and Appendix 4C

Nuchev delivers maiden positive cashflow quarter and significant sales growth generating a strong result for H1 FY25

Quarterly Highlights

- **Operating cashflows for the quarter were positive \$0.2m**, reflecting building sales momentum, the benefits of the bWellness acquisition business, higher receipts from customers, ongoing control of inventory and SG&A¹, seasonality, and the timing of payments for certain production costs
- An increase of cash at the end of the quarter to **\$5.0m**, an increase of \$0.3m on the prior quarter due primarily to the positive net cashflows generated from operating activities
- **H1 FY25 Group revenue of \$11.3m**, up **\$4.5m** or **65% pcp**, reflecting strong growth in ANZ Retail, sales in China CBEC noting the significant uplift delivered by the acquisition of bWellness
- **Group revenue² of \$6.2m** in Q2 FY25 up **\$1.1m** or **21% QoQ³**, and **\$3.1m** or **99% pcp⁴** with bWellness delivering the majority of this increase, contributing sales of \$2.5m in Q2 FY25
- **Oli6[®] Nutritional sales in ANZ and China CBEC in Q2 FY25 of \$3.7m** were up **\$1.2m** or **45% QoQ** and **\$0.6m** or **19% pcp**
- **NPD continues to deliver incremental sales**, with **Oli6[®] Grow** launched in October to align with Double 11 in China with sales of **\$0.3m** in Q2 FY25
- In Q2 FY25 Oli6[®] continued to deliver above average growth exhibiting the brands strength in the market, with Oli6[®] ANZ sales **up 20% MAT⁵** for the quarter, significantly outpacing the total infant formula category which grew by only 1% MAT
- **Oli6[®] voted the “Number 1 Toddler Drink”** and highest ranked by Product Review⁶ for the **fifth consecutive year**
- The Group **reduced its inventory holdings by 12.5%** during the quarter, demonstrating a continued focus on supply chain optimisation and delivering working capital benefits to the business

Having achieved positive operating cashflow for the quarter, the Group remains **focused on driving the business to achieve breakeven**

¹ SG&A refers to Selling, General & Administration Costs, including people costs

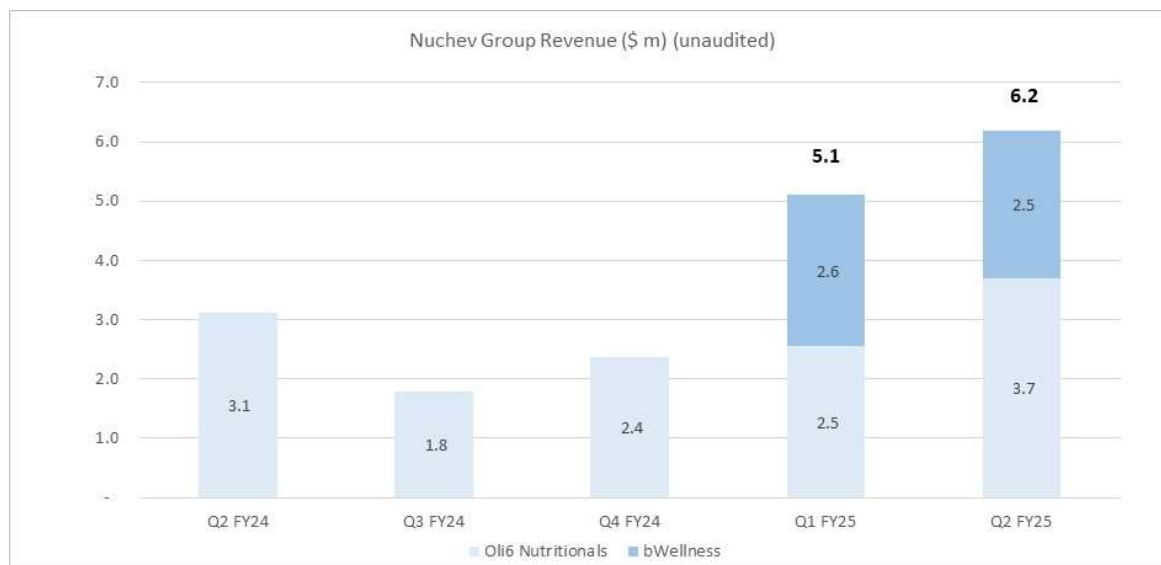
² Revenue from the sale of products branded under the Oli6[®], Bio Practica and Medicine Tree brands and several global health product brands sold by bWellness under exclusive licence in Australia and New Zealand, and excluding sales of raw material ingredients

³ Quarter-on-Quarter

⁴ Previous corresponding period (“pcp”)

⁵ MAT (Moving Annual Total) for Australian Retail Infant Milk Formula (“IMF”) Market. Source: Iqvia Scan Data (MAT quarter to 7th December 2024)

⁶ ProductReview.com.au is Australia's first and most comprehensive consumer opinion site, online since May 2003. It is a platform where people can rate and review services and products and the shops that sell them.



<i>Unaudited</i>	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Growth % (QoQ)	Growth % (pcp)
	<i>Dec 2023</i>	<i>Mar 2024</i>	<i>Jun 2024</i>	<i>Sep 2024</i>	<i>Dec 2024</i>		
Oli6® Nutritionals Revenue (\$ millions)	3.1	1.8	2.4	2.5	3.7	45%	19%
bWellness Revenue (\$ millions)	-	-	-	2.6	2.5	-2%	100%
Nuchev Group Revenue (\$ millions)	3.1	1.8	2.4	5.1	6.2	21%	99%

Acquisition of bWellness builds scale with Group revenue from sales of \$6.2m up 99% pcp and 21% QoQ

Nuchev's acquisition of bWellness has delivered scale and channel diversification into the ANZ practitioner channel, lifting Group sales revenue by **\$3.1m** or **+99% pcp** and **\$1.1m** or **+21% QoQ**.

Oli6® Nutritional sales in ANZ Retail of \$1.7m for Q2 FY25 up 39% pcp and 30% QoQ

Nuchev recognised revenue in ANZ from Oli6® Nutritionals of **\$1.7m** for Q2 FY25, up **\$0.5m** or **+39% pcp** and **\$0.4m** or **+30% QoQ** with increased sales across the Grocery and Pharmacy channels. This growth reflects the benefits accruing from the valuable strategic partnerships the Group has with Coles, Woolworths and Chemist Warehouse.

Oli6® scan sales were up **20% MAT** for the quarter, significantly outpacing the total infant formula category, which grew by only 1% MAT for the quarter.

China CBEC sales of \$2.0m for Q2 FY25, up 62% QoQ and 6% pcp

The Group recorded Q2 FY25 sales of Oli6® Nutritionals of **\$2.0m** in China CBEC, an uplift of **\$0.8m** or **+62% QoQ** and **\$0.1m** or **+6% pcp**.

Preselling for Double 11 commenced in Q1 and continued to deliver strong growth in Q2, with the Group recording a stronger result in 2025 compared with prior years, with sellout of Oli6® units in **Double 11 up 115% pcp**.

This continues to underline the ongoing momentum delivered through the performance of our China distribution agreement, underlying the importance of the China market and the seasonal impact of major sales events such as Double 11.



NPD⁷ driving incremental sales of Oli6[®] Nutritionals with launch of Oli6[®] Grow

Oli6[®] Grow⁸ was developed and produced in time to launch at the beginning of October so that it was available for Double 11 in China, the largest retail sales event in China CBEC. Sales of **\$0.3m** were recorded in Q2 FY25, with the release of Oli6[®] Grow is expected to deliver further sales and improved margins in FY25.

Nuchev remains on track to deliver further portfolio expansion from **NPD in H2 FY25**.

Optimising our inventory holdings to unlock cost savings and deliver working capital benefits

Nuchev's disciplined approach to optimising inventory and working capital management has seen the Group's net inventory holdings reduced by **12.5%** during the quarter.

The Group's focus on reducing costs and driving efficiencies across its expanded Supply Chain has ensured optimisation of inventory levels that are aligned with forecast sales growth and offtake.

Oli6[®] Nutritionals inventory are 44% lower over the last twelve months, whilst **bWellness inventories are 29%** lower since acquisition on 30th June 2024. Improvement in stockturns alongside ongoing inventory optimisation have delivered significant working capital benefits to the business and contributed to savings in warehousing and logistics costs.

Positive operating cashflows of \$0.3m and closing cash of \$5.0m at 31 December 2024

Net cash flows generated from operating activities in the quarter were **\$0.2m**; adjusting for one-off costs associated with associated with bWellness' acquisition, cashflows from operating activities improved to **\$0.5m**.

Cash at 31 December 2024 was **\$5.0m**, with an additional \$0.6m in financing facilities and the Group continues to maintain positive working capital and net assets with no debt.

Focusing on the future

Nuchev CEO Mick Myers commented:

Delivering **positive net cashflows for the 2nd quarter**, a first for the Group, is a great result and demonstrates the progress.

"Adding to the sales momentum this has generated a strong H1 FY25 result with **Group sales of \$11.3m up \$4.5m or 65% pcp** – exceeding FY24 full year sales. For the quarter, **Group revenues rose 21% QoQ and 99% pcp**. We have delivered significant and sustained growth in our Australian Retail business and seen a strong result in **Double 11 sales of Oli6[®] in China, up 115% pcp**. We have now completed the integration of the bWellness business, with **bWellness delivering sales of \$5.1m in H1 FY25**.

With the support of our distribution partners, we have been able to respond to consumer insights that have helped fuel our sales. The launch of Oli6[®] Grow and the ongoing development of our NPD pipeline illustrates the benefits from leveraging our key strategic relationships to deliver further sales growth.

We are excited by the opportunities for future growth in our Nutritionals and Wellness businesses, and we remain focussed on ensuring we continue to deliver high quality, premium nutritional, immunity and wellness products for our consumers."

⁷ New Product Development ("NPD")

⁸ Oli6[®] Grow delivers Enhanced Growth Support through a unique formula designed to unlock the potential of a stronger immune system and improved bone support



ASX Additional Information

Pursuant to ASX Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent \$2.6m on product manufacturing and operating costs, \$1.1m on advertising and marketing, \$1.8m on staff costs (including Tranche 1 earnout payment to former owners of bWellness) and \$0.7m on administration and corporate costs in Q2 FY25.

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 \$75,870 to related parties.

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

For and on behalf of the Company

Mick Myers
Chief Executive Officer
Nuchev Limited

This announcement has been approved for release by the Board.

For further information please contact:

Tamara Barr
Company Secretary
tamara@csbcorpservices.com

About Nuchev Limited

Nuchev is an Australian-based Nutritional and Wellness business. Nuchev's products include those branded under Oli6®, Bio Practica and Medicine Tree and a number of globally recognised European brands sold under exclusive licence in Australia and New Zealand by bWellness. Oli6® is sold in the key Australian Pharmacy and Grocery channels, China and other overseas markets, online through the China Cross-Border e-Commerce (CBEC) and general trade retail channels. Nuchev is *Passionate about Making Life Better* and 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 December 2024

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(6 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	6,311	10,317
1.2 Payments for		
(a) research and development	(6)	(261)
(b) product manufacturing and operating costs	(2,647)	(4,924)
(c) advertising and marketing	(1,087)	(1,760)
(d) staff costs	(1,762)	(3,442)
(e) administration and corporate costs	(665)	(1,484)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	36	104
1.5 Interest and other costs of finance paid	(7)	(12)
1.6 Income taxes paid	-	(12)
1.7 Government grants and tax incentives	-	37
1.8 Other (provide details if material)	-	(1,106)
1.9 Net cash from / (used in) operating activities	173	(2,544)

Item 1.2(d) includes:

\$350,000 in Earn Out payments linked to the acquisition of bWellness Pty Ltd in the Current quarter

Item 1.8 includes:

\$614,749 paid as Merger & Acquisition Costs, and \$490,814 paid as pre-acquisition costs during the Year to Date.

2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	79	79
(c) property, plant and equipment	(55)	(124)
(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	-	-
(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	24	(46)

3 Cash flows from financing activities			
3.1	Proceeds from equity securities	-	(0)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to equity securities	-	(16)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(24)	(49)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Repayment of selling shareholders	-	-
3.10	Net cash from / (used in) financing activities	(24)	(64)
4 Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	4,772	7,610
4.2	Net cash from / (used in) operating activities (item 1.9 above)	173	(2,544)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	24	(46)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	(64)
4.5	Effect of movement in exchange rates on cash held	83	69
4.6	Cash and cash equivalents at end of period	5,027	5,026
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	Previous Quarter
		\$A'000	\$A'000
5.1	Bank balances	4,477	4,222
5.2	Call deposits	550	550
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)	5,027	4,772
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	767	
6.2	Aggregate amount of payments to related parties and their associates included in item 2		
Item 6.1 includes:			
\$75,870 paid as Director's Fees and associated superannuation to the Directors in place during the quarter.			
\$690,740 paid as selling and marketing fees to H&S International (AUST) Pty Ltd, a related party via shareholding.			
7 Financing facilities			
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
	Total facility amount	Amount drawn at	
	at quarter end	quarter end	
	\$A'000	\$A'000	
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	550	-
7.3	Other credit facilities - Refer below	55	15
7.4	Total financing facilities	605	15
7.5	Unused financing facilities available at quarter end		590
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 Credit Card Facilities of \$55k.			
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)	173
8.2 Cash and cash equivalents at quarter end (Item 4.6)	5,026
8.3 Unused finance facilities available at quarter end (Item 7.5)	590
8.4 Total available funding (Item 8.2 + Item 8.3)	5,616
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

Compliance Statement

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

Date: 29 January 2025
 Authorised by: the Board of Directors
 (Name of body or office authorising release - see note 4)

Notes

1. 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.
2. 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.
3. 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.
4. 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".
5. 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.