



Half Year Results

31 December 2024

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Agenda



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1. Business Highlights

2. Our Purpose & Growth Strategy

3. H1 Results Update

4. H2 Key Priorities



Mick Myers
Chief Executive Officer

Business Highlights

Business Highlights



- **Group revenue¹ of \$11.1m in H1 FY25, up \$4.5m or 65% pcp²**, reflecting strong sales growth in ANZ Retail and China CBEC for Oli6[®] Nutritionals³ and a significant uplift delivered by the acquisition of bWellness
- In Q2, the Group delivered its **maiden positive cashflow quarter**
- **Integration of bWellness'** business completed and performing in line with expectations
- Higher margin bWellness products, combined with changes in Oli6[®] product mix and savings in warehousing, distribution & logistics costs have delivered **\$3.4m Net Contribution Margin⁴**, up **\$3.6m pcp**
- Oli6[®] voted the **"Number 1 Toddler Drink"** by Product Review for the fifth consecutive year (**2021, 2022, 2023, 2024 and 2025**)
- In February the Group announced the appointment of **new CEO Nathan Cheong**, following a transition period, **current CEO Mick Myers** will move to a new role as **COO and CFO**
- The Group remains focused on **driving the business** to achieve **breakeven**

Notes:

1. Group revenue from the sale of bWellness products (Bio Practica and Medicine Tree brands and several global health product brands sold by bWellness under exclusive licence in Australia and New Zealand) and Oli6[®] products, excluding adjustments for recognition of H&S contract incentives and sales of raw material ingredients

2. Previous corresponding period ("pcp"), representing the for the six months ending 31 December 2023

3. Oli6[®] products that are 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, and excludes sales of raw ingredient

4. Net contribution margin represents sales of bWellness and Oli6[®] Nutritionals less cost of goods sold, warehousing, distribution and logistics, selling and marketing costs and excludes sales of raw ingredients, adjustments for recognition of H&S contract incentives

Our Purpose & Growth Strategy

Our Purpose & Growth Strategy



Refreshed Purpose



Passionate about making life better
Leading Nutritional & Wellness products to improve your health & wellbeing

What We Deliver



Brand Builders



Distribution Network



Product Innovation



Supply Chain Excellence



ASX-Listed

Strategic Priorities

- 1 Grow bWellness to deliver increased scale, channel diversification & synergies for the Nuchev Group
- 2 Continued growth for ANZ and China markets, and exposure into SEA markets
- 3 Innovation and growth through new product development (NPD) from Oli6® Nutritionals and bWellness brands

Drivers to Scale

Function	Ingredients	Product Type	Consumer	Region
Digestion	Goat	Infant Formula	Infant	Australia/New Zealand
Immunity	Bovine	Formulated Foods	Child and Student	China
Wellness	Plant	Formulated Beverages	Adult	South-East Asia ("SEA")
	Other	Health & Wellness	Seniors	Middle East
	bWellness	Established within Nuchev	Launching	Future Opportunity

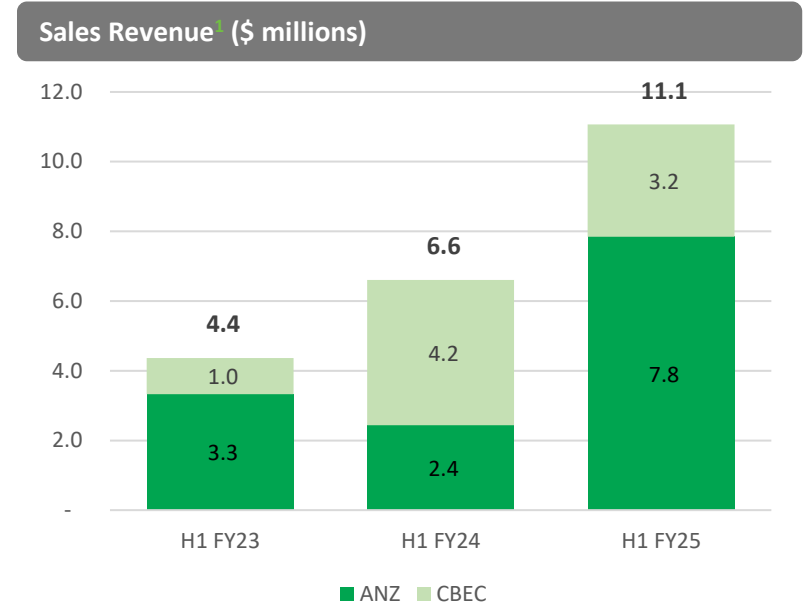


H1 Results Update

H1 FY25 Results Update



- **Group revenue¹ of \$11.1m in H1 FY25, up \$4.5m or 65% pcp², reflecting strong sales growth in ANZ Retail and China CBEC for Oli6[®] Nutritionals and \$4.8m incremental sales from bWellness**
- **Oli6[®] Nutritionals³ continues to drive strong momentum in the Australian Retail Goat Infant Formula (“GIF”) Market, with scan sales growing at 16.6 MAT⁴**
- **Adjusted EBITDA⁵ improved by \$1.9m or 59% pcp**
- **Demonstrating a continued focus on supply chain optimisation, the Group reduced its inventory holdings by 27% since 30 June 2024, delivering working capital benefits to the business**
- **Adjusted cash used in operations⁶ \$0.4m lower pcp, with the cash position at 31 December 2024 of \$5.0m and \$0.6m undrawn financing facilities available**



Notes:

1. Group revenue from the sale of bWellness products (Bio Practica and Medicine Tree brands and several global health product brands sold by bWellness under exclusive licence in Australia and New Zealand), and Oli6[®] products, excluding adjustments for recognition of H&S contract incentives and sales of raw material ingredients
2. Previous corresponding period (“pcp”) represents the six months ending 31 December 2023
3. Oli6[®] products that are 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, and excludes sales of raw ingredients
4. Iqvia Scan Data measured on a Moving Annual Total (“MAT”) basis for the 52 weeks ended 31st December 2024
5. Adjusted EBITDA is earnings before finance costs, finance income, depreciation, amortisation, tax, adjustments for recognition of H&S contract incentives, and earn out payment linked to business acquisition
6. Adjusted cash used in operations has been normalised to exclude the impact of business combination transaction costs and earn out payments to former owners (\$1.5m) from Operating Cash Outflows of \$2.5m – refer Appendix 1(b)

H1 FY25 Adjusted EBITDA



\$ millions	H1 FY25	H1 FY24
Sales Revenue ¹	11.1	6.6
Cost of Goods Sold	(5.7)	(4.6)
Gross Profit	5.4	2.0
Distribution, warehouse and logistics expenses	(0.4)	(0.3)
Marketing and selling expenses	(1.6)	(2.0)
Net Contribution Margin	3.4	(0.2)
<i>NCM Ratio : Sales</i>	31%	-4%
Employment expenses	(3.1)	(1.9)
General and administration expenses	(1.6)	(1.2)
Other Income	0.1	0.1
Adjusted EBITDA³	(1.3)	(3.2)

Notes:

1. Group revenue from the sale of bWellness products (Bio Practica and Medicine Tree brands and several global health product brands sold by bWellness under exclusive licence in Australia and New Zealand) and Oli6® products, excluding adjustments for recognition of H&S contract incentives and sales of raw material ingredients

2. Previous corresponding period ("pcp") represents the six months ending 31 December 2023

3. Adjusted EBITDA is earnings before finance costs, finance income, depreciation, amortisation, tax, adjustments for recognition of H&S contract incentives, and earn out payment linked to business acquisition

Sales revenue¹ up

- H1 sales were boosted **bWellness sales of \$4.8m**
- Oli6® sales revenue in H1 FY25 of **\$6.2m** decreased **\$0.4m** or **6% pcp²**, with H1 FY24 impacted by the pipefill following entry into the H&S distribution agreement in June 2023

Cost of Goods Sold include bWellness and Oli6®

- Cost of sales includes the cost of goods sold for bWellness and Oli6® Nutritional, excluding the cost of raw material ingredients sold separately

Improved Net Contribution

- **Higher margin bWellness products**, changes in **Oli6® product mix**, more **efficient marketing and selling** and **lower warehousing, distribution & logistics costs** delivered a **Net Contribution Margin of \$3.4m**, up **\$3.6m pcp**

Consolidation of employees, general and administration costs

- Employee costs reflect combination of Nuchev heritage business with bWellness employees integrated from 1 July 2024
- Cost control measures and synergies through integration of bWellness

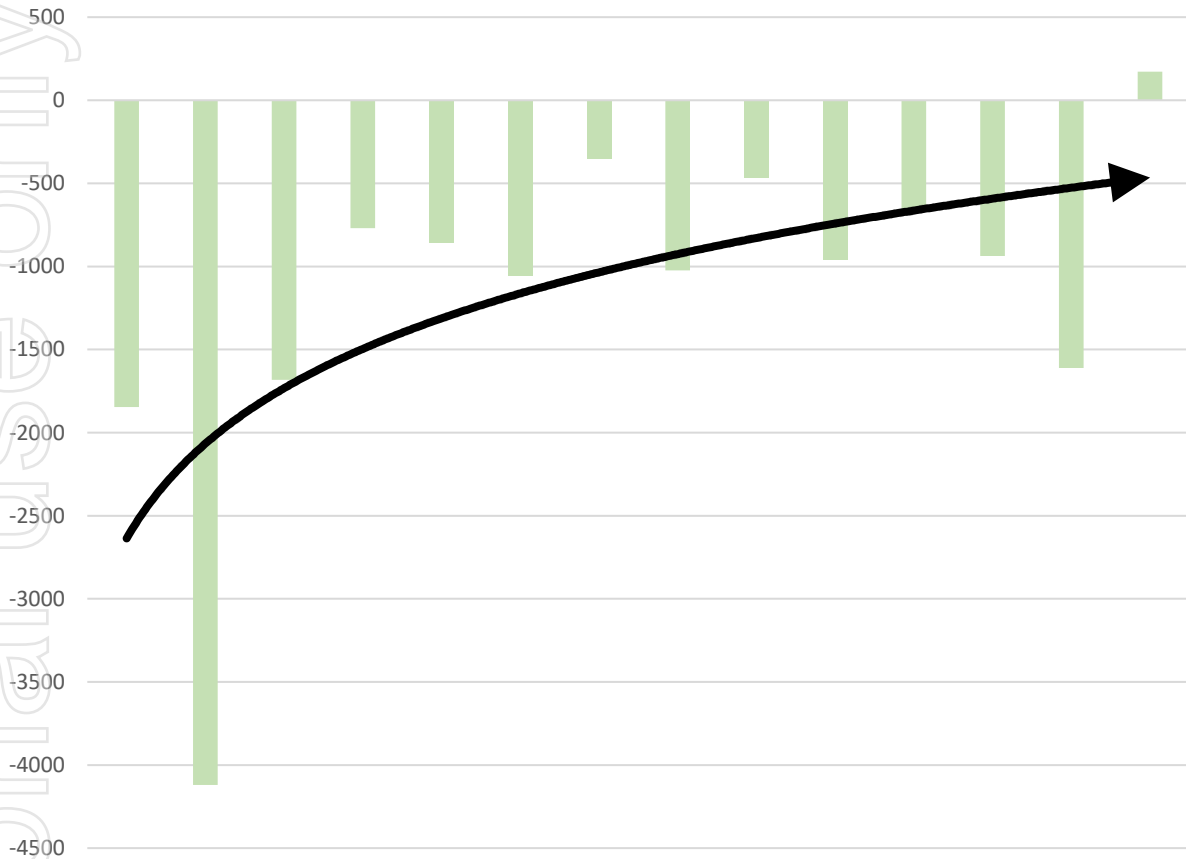
Adjusted EBITDA³

- Adjusted EBITDA improved **\$1.9m** or **59% pcp** due to integration of bWellness higher margin business combined with synergies in general & administration expenses

Continued improvement in operating cash outflows

Net cash flows used in operations

Q1 22 Q2 22 Q3 22 Q4 22 Q1 23 Q2 23 Q3 23 Q4 23 Q1 24 Q2 24 Q3 24 Q4 24 Q1 25 Q2 25



Adjusted operating cash used in operations ¹ reduced by a further **\$0.45m or 29% pcp** with the key levers being:

- bWellness products sold at higher margins
- Sales growth with changes in Oli6[®] Nutritionals product mix higher receipts from customers
- Improve ROI² from selling and marketing expenditure
- Disciplined cost control measures and reductions in G&A³ costs
- Disciplined working capital management and optimisation of supply chain

Notes:

¹ Adjusted cash used in operations has been normalised to exclude the impact of business combination transaction costs and earn out payments to former owners (\$1.5m) from Operating Cash Outflows of \$2.5m – refer Appendix 1(b)

² Return on Investment

³ General & Administration Expenditure

Balance Sheet

\$ millions	31 Dec 2024	30 Jun 2024
Cash and short-term deposits	5.0	7.6
Trade and other receivables	3.0	2.2
Prepayments	0.8	0.5
Inventories	3.6	5.0
Current assets	12.5	15.3
Property, plant and equipment	0.2	0.1
Intangible assets	4.3	4.2
Right of use assets	0.3	0.3
Other non-current assets	0.4	0.3
Non-current assets	5.1	4.9
Total assets	17.6	20.2
Trade and other payables	3.6	4.6
Provisions	0.2	0.3
Lease liabilities	0.0	0.1
Total current liabilities	3.9	5.0
Provisions	0.1	0.2
Lease liabilities	0.2	0.2
Total non-current liabilities	0.4	0.4
Total liabilities	4.2	5.4
Net assets	13.3	14.8
Issued capital	111.0	111.1
Other capital reserves	2.1	1.9
Accumulated losses	(99.8)	(98.2)
Equity	13.3	14.8

Cash holding of \$5.0m

- Closing cash position **\$5.0m** at 31 December 2024, with the reduction from 30 June 2024 primarily relating to cash used in operations and one-off cash costs associated with the acquisition of bWellness and earnout payments made during the first half

Inventory reduction

- Disciplined inventory and working capital management enabled the Group to **reduce inventory holdings by 27%** since 30 June 2024
- 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

Net working capital

- Net working capital of **\$8.6m** at 31 December 2024, with management's focus on cost controls, efficient use of working capital and management of cashflows paramount

No debt drawn

- The Group had **no external debt** at 31 December 2024
- The Group had financing facilities of **\$0.6m** at 31 December 2024, with \$0.6m undrawn

H2 Key Priorities

Key Priorities for H2 FY25

1. **Leveraging** our strategic **distribution** agreement with **H&S Group** to **accelerate growth** in **China CBEC** and opening new sales channels into **South-East Asia**
2. Continued **sales growth** through **bWellness** delivering **positive cash** contribution and **working capital benefits**
3. **Further organic growth** through **ANZ Retail** (Grocery and Pharmacy) channels
4. **New Product Development (“NPD”)** to deliver further **sales growth** across all channels
5. **Unlocking supply chain efficiency gains** across Oli6 Nutritionals and bWellness
6. **Systems** integration and simplification to **deliver business efficiencies and cost savings**
7. Explore **new business development opportunities** in **domestic and overseas markets**, including opportunities to expand into adjacent categories
8. **Optimising inventory levels** and **managing working capital** requirement

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Appendix

Appendix 1



(a) Reconciliation of operating loss and Adjusted EBITDA:

\$ millions	H1 FY25	H1 FY24
Operating loss per financial statements	(1.7)	(3.5)
Depreciation	0.1	0.0
Earn Out payment linked to business acquisition	0.4	0.0
Fair value of H&S incentives	0.1	0.2
Adjusted EBITDA	(1.3)	(3.2)

(b) Adjusted cash used in operations:

\$ millions	H1 FY25	H1 FY24
Operating cash flows	(2.5)	(1.5)
Add:		
Transaction costs associated with Business Combination	1.1	0.0
Earn Out payment linked to business acquisition	0.4	0.0
Adjusted cash used in operations	(1.1)	(1.5)

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