

Q1 FY25 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

Nutritional Growth Solutions Limited (ASX: NGS) ("NGS" or "the Company"), a health, nutrition, and wellness company headquartered in the United States, is pleased to provide the Company's Quarterly Activities Report and Appendix 4C Cashflow Statement for the period ended 31 March 2025 ("Q1 FY25" or the "Quarter," or "reporting period.>").

KEY UPDATES

- **Q1 FY25 Revenue:** \$447K USD (\$715K AUD), down 24.7% QoQ, primarily due to reduced capital deployment impacting marketing activities.
- **Successful Completion of Capital Raise:** NGS successfully completed a \$1.0 million AUD placement of convertible notes in April 2025.
- **CVS Retail Expansion:** NGS confirmed launch of Happy Tummies® in 5,500 stores with ship-to-arrive date of July 1, 2025.
- **Walmart Activation:** Addition of third flavor rolling out to Walmart for May reset. NGS will now have a total of three SKU's in distribution with Walmart in the US.
- **Cash Position:** The loss from operating activities for the quarter was \$77K USD (\$123K AUD), improving financial efficiency, with a cash balance of \$13K USD (\$21K AUD) as of 31 March 2025.

Stephen Turner, CEO and Managing Director, commented on the quarterly results:

"Despite limited growth we saw in Q1, we are encouraged by the positive momentum we're seeing in advance of several retail expansion efforts coming to fruition. With the current and ongoing expansion in Walmart and the pending launch with CVS, we are excited about what 2025 will shape up to be for NGS.

"Additionally, with the addition of Manik Pujara to the role of CFO, we look forward to continued efforts in cost control that position the company for future growth and expansion."

"I am confident that the expansion of our business puts us closer to profitability, and we remain committed to delivering long-term value for our shareholders," Mr. Turner said.

REVENUE PERFORMANCE AND OUTLOOK

NGS reported Q1 FY25 revenue of \$447k USD (\$715k AUD), representing a decrease of 24.7% QoQ due to the drop in sales as marketing spend was cut back to preserve capital.

SUCCESSFUL COMPLETION OF CAPITAL RAISE

As announced on 28 April 2025, NGS has secured binding commitments for the issue of \$1M convertible notes at \$1.00 per note. The placement of convertible notes was supported by Australian sophisticated and professional investors. NGS expects to receive \$1M AUD on 7 May 2025 and to issue the convertible notes on the same date. The conversion of the convertible notes into ordinary shares in NGS is subject to NGS shareholder approval including for the purposes of ASX Listing Rule 7.1. For further details regarding the convertible note placement, please refer to the separate announcement published on 28 April 2025.

PREPARING FOR LAUNCH IN CVS

NGS received the news from CVS that Happy Tummies®, a novel dietary supplement under the Healthy Heights® brand, will be placed in 5,500 stores, shipping in July. The planned launch is larger than initially anticipated and represents a significant increase in physical distribution in US retail to date. In addition to the new launch, we were also informed that CVS is not currently interested in the placement of our Grow Daily® line of food supplements, as previously announced. While this news is disappointing, the awarded total of doors is equal to what was expected from previous planning sessions with CVS, and we are looking forward to a focused launch with Happy Tummies®.

SIGNIFICANT ACTIVITIES IN WALMART

As previously reported, NGS has renewed the modular with Walmart for the KidzProtein® nutritional shake mixes for calendar year 2025/26, commencing in May. In addition to another year in Walmart, we are also adding strawberry flavor for a total of three items on shelf with Walmart. NGS has high expectations for the expanded assortment and expects to see continued growth in the brand.

CASH POSITION

As of 31 March 2025, the Company's cash balance was \$13K USD (\$21K AUD).

FINANCING ACTIVITIES

During Q1 FY25, NGS repaid approximately USD \$63,826 across existing Shopify and Amazon facilities, including finalising a USD \$82,000 unsecured Shopify loan financed in April 2024 and continuing repayments on a USD \$88,000 unsecured Shopify facility financed in October 2024. Repayments also included a portion of a USD \$140,000 unsecured Amazon advance, which was fully settled in mid-April 2025 (post-period). The Company also entered into a new USD \$120,000 unsecured facility with Amazon in mid-April 2025, incurring a fixed fee of USD \$16,716.

ASX ADDITIONAL INFORMATION

In accordance with Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent \$273k USD (\$435k AUD) on product manufacturing and operating costs, \$101k USD (\$161k AUD) on administration and corporate costs, \$81k USD (\$129k AUD) on staff costs, and \$69k USD (\$110k AUD) on advertising and marketing. There have been no payments to related parties in Q3 FY25. The amount of \$62k encompassing Chair and Non-Executive Director fees are accrued.

This announcement has been authorised for release by the Board.

For further information, please contact:

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Managing Director and CEO

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About Nutritional Growth Solutions

Nutritional Growth Solutions is a U.S.-based health, nutrition, and wellness company. NGS develops, produces and sells clinically tested nutritional supplement formula for children following 20 years of medical research into pediatric nutrition. 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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Nutritional Growth Solutions Ltd.

ABN

642 861 774

Quarter ended ("current quarter")

On 31/03/2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	447	447
1.2 Payments for		
(a) research and development	(0)	(0)
(b) product manufacturing and operating costs	(273)	(273)
(c) advertising and marketing	(69)	(69)
(d) leased assets	-	-
(e) staff costs	(81)	(81)
(f) administration and corporate costs	(101)	(101)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(77)	(77)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
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	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	123	123
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(0)	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(64)	(64)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	59	59
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	31	31
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(77)	(77)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	59	59
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	13	13

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 \$US'000	Previous quarter \$US'000
5.1	Bank balances	13	31
5.2	Call deposits		
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)	13	31

6. Payments to related parties of the entity and their associates		Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	107	107
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	107	107
7.5	Unused financing facilities available at quarter end		-
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.		
	<p>NGS maintained three lending facilities across Shopify and Amazon during the quarter. It fully repaid a USD \$82,000 unsecured loan from Shopify Capital (drawn 19 April 2024, with USD \$10,660 interest) and continued repayments on an existing USD \$88,000 unsecured Shopify facility drawn in October 2024. NGS also repaid in full a USD \$140,000 unsecured advance from Amazon Lending (drawn 28 August 2024, with a fixed fee of USD \$18,200), which was settled in mid-April 2025, after quarter-end.</p> <p>Subsequently, on 16 April 2025, NGS entered into a new USD \$120,000 unsecured facility with Amazon Lending, subject to a fixed fee of USD \$16,716. This facility remains active..</p>		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(77)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	13
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	(0.01)
	<i>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.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Yes, we expect to have the current level of net operating cash flows.	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Yes, the Company has recently raised \$1.0 million under a placement of convertible notes (out of this quarter) on 28 April 2025 and is currently actively taking steps to raise additional funds and expects to be successful in order to continue operations.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, revenues generated from sales, growth on current activities and our ability to access capital from investors.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: ...April 30, 2025.....

Authorised by: ...Board of Directors.....
(Name of body or officer 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.