

CORRECTION TO PREVIOUSLY RELEASED 4C AND ACTIVITIES REPORT

Nutritional Growth Solutions Limited (ASX: NGS) ("**NGS**" or "**the Company**"), a health, nutrition, and wellness company headquartered in the United States, is providing details and changes made to previous Quarterly Activities Report and Appendix 4C Cashflow Statement for the period ended 30 June 2025 ("**Q2 FY25**" or the "**Quarter**," or "**reporting period**"). Changes were needed based on post release review of various details that were missed by the management team. The following list details the changes made and where these changes are found in the updated 4C Cashflow statement.

CHANGES MADE to Quarterly Activities Report

Adjustments were made to the activities report, reflecting the changes made to the 4C. Revenue and Cashflow updates were updated accordingly. No changes were made to the core retail expansion efforts and the inventory position previously reported.

CHANGES MADE to 4C

1. Cash receipts were \$431k USD and not \$386k USD as previously stated. Difference was largely from the timing of revenue receipts from sales that occurred in June.
2. Product Manufacturing and operating costs were \$643k USD and not \$205k USD as previously reported. Changes reflect increased investment on finished goods, capital raise and related transaction costs and additional corporate costs.
3. Advertising and marketing costs previously reported had errors and was corrected to \$16k USD.
4. Administrative and corporate costs were missing some additional costs and was correct to \$210k USD versus previously reported \$59k USD.
5. Interest and costs of finance paid was corrected to \$25k USD, mainly impacted by previous Capital raise and related transaction costs.
6. Net cash used was corrected to \$574k USD reflected by all the changes listed above in points 1-5.
7. Cash flows from financing activities was corrected to include the capital raise completed during the quarter. The previous release did not include this financing activity. Proceeds were \$648k USD and section 3 has been updated to reflect the related transaction costs and listing the net cash received from financing activities of \$660k USD.
8. Section 4.4 and 4.6 have been updated to reflect the proceeds from financing activities and our true cash balance at the end of the period.
9. Section 5 has been updated to reflect the cash equivalents at the end of the period.
10. Section 7 was corrected to show the balance of the loan facilities from Shopify and Amazon capital. The corrected total is \$144k USD.
11. Section 8 has been corrected to reflect the cash used in operating activities and cash balance at the end of the period.
12. Commentary in section 8.6.2 has been updated to reflect the convertible note completed during the period.
13. Commentary in section 8.6.3 slightly revised from prior release.

Q2 FY25 UPDATED 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 present its Quarterly Activities Report and Appendix 4C Cash Flow Statement for the period ended 30 June 2025 ("**Q2 FY25**", the "**Quarter**" or the "**Reporting period**").

KEY UPDATES

- **Q2 FY25 Revenue:** \$431k USD (\$673k AUD), broadly in line with the prior quarter. Sales were impacted by timing and inventory constraints, which limited marketing activity and sales momentum.
- **CVS Retail Expansion:** Happy Tummies® products were successfully shipped to approximately 5,500 CVS stores, fulfilling initial pipeline and distribution centre backfill orders. Consumer sales are expected to commence in August 2025 following completion of shelf stocking.
- **Walmart Range Expansion:** A third item, a strawberry flavour, was successfully added to the KidzProtein® range at Walmart, bringing the total range to three products available in-store.
- **Operating Cash Flow:** Net cash used in operating activities for Q2 FY25 was \$574k USD (\$896k AUD), compared to \$77k USD (\$118k AUD) in the prior quarter. A significant portion of this increase reflects upfront costs to rebuild inventory valued at approximately \$300k USD at list price. Corporate and administration expenses of \$210k USD largely result from timing differences linked to invoices and obligations from prior periods, as the Company continues to streamline its financial processes. Excluding these costs, the underlying cash burn was significantly lower, demonstrating disciplined cost management. We expect these timing effects to normalise in upcoming quarters, leading to more consistent expense recognition.
- **Inventory Position:** NGS completed the final production runs for the full Healthy Heights® product portfolio during the quarter, resolving previous inventory shortages. As of 30 June 2025, the Company holds inventory valued at approximately \$300k USD at list price (\$461k AUD), expected to support around five months of sales through both CVS retail programs.

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

"Despite limited growth and significant market headwinds, we're encouraged by the momentum building as we complete our retail expansion into CVS and Walmart. By securing finished goods and finally receiving all previously ordered production runs, we're now better positioned to drive sales, having resolved prior inventory challenges. We're excited about the opportunities the second half of 2025 presents for NGS.

I remain confident that our business is nearing profitability, and we remain committed to delivering long-term value for our shareholders," Mr. Turner said.

REVENUE PERFORMANCE AND OUTLOOK

NGS reported Q2 FY25 revenue of \$431k USD (\$673k AUD), reflecting the impact of inventory constraints and reduced marketing activity as part of its capital preservation strategy.

CVS RETAIL ROLLOUT

NGS previously announced that Happy Tummies®, a novel dietary supplement under the Healthy Heights® brand, would be ranged in approximately 5,500 CVS stores. All launch and backfill shipments were completed post-quarter, in July 2025, with consumer sales expected to begin in August once shelf placement is finalised. This rollout marks NGS's largest expansion in US retail distribution to date.

WALMART UPDATE

As previously reported, NGS renewed its shelf placement with Walmart for the 2025/26 calendar year, effective from May. The product range now includes a third item, strawberry flavour, joining the existing KidzProtein® shake mix variants. Pipeline and DC shipments for the expanded range were completed during the quarter, with early signs of strong in-store performance.

CASH POSITION

Cash and cash equivalents as of 30 June 2025 totaled \$99k USD (\$155k AUD). The quarter-end balance reflects the timing of Amazon revenue receipts, which were received shortly after quarter-end. Adjusted for this timing, liquidity remains adequate to support near-term operations.

FINANCING ACTIVITIES

During Q2 FY25, NGS continued repayments on the previous Shopify facility and entered into a new USD \$120,000 unsecured facility with Amazon in mid-April 2025, with 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 that it spent \$643k USD (\$1m AUD) on product manufacturing and operating costs, \$210k USD (\$328k AUD) on administration and corporate costs, \$109k USD (\$167k AUD) on staff costs, and \$16k USD (\$25k AUD) on advertising and marketing.

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 30/06/2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	431	878
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(643)	(916)
(c) advertising and marketing	(16)	(85)
(d) leased assets	-	-
(e) staff costs	(109)	(190)
(f) administration and corporate costs	(210)	(311)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(25)	(25)
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(574)	(651)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
	(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	0	0
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	648	648
3.3	Proceeds from exercise of options	-	123
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(49)	(49)
3.5	Proceeds from borrowings	137	137
3.6	Repayment of borrowings	(76)	(140)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	660	719

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13	31
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(574)	(651)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	660	719
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	99	99

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	99	13
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)	99	13

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	-

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.

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7.	Financing facilities <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>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	144	144
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	144	144
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>During Q2 FY25, NGS continued repayments on the previous Shopify facility and entered into a new USD \$120,000 unsecured facility with Amazon in mid-April 2025, with a fixed fee of USD \$16,716.</p> <p>Alongside this announcement, the Company is actively raising additional capital to support its US retail expansion, fulfil working capital requirements, and enhance liquidity. This capital raise is expected to significantly strengthen the Company's financial position in the coming months.</p> </div>		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(574)
8.2	Cash and cash equivalents at quarter end (item 4.6)	99
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	99
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	(0.01)
	<p><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></p>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>Answer: No. Operating cash flows are expected to improve in the second half of 2025 following the receipt of inventory and the commencement of CVS in-store sales in August.</p> </div>	

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?

Answer: Yes. The Company successfully completed a convertible note raise during the June quarter and is currently undertaking a further capital raising to fund growth and enhance liquidity. The Directors are confident in its successful completion.

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?

Answer: Yes. The Company expects to continue operating and meet its business objectives, supported by improved expected revenue performance and the current capital raising efforts.

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: 5 August 2025

Authorised by: The Board

(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.

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This announcement was authorised for release by the Board.

For further information, please contact:

Stephen Turner

Managing Director and CEO

steve@ngsolutions.co | steve@healthyheights.com

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 formulas 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 the age of three. The children aged three to twelve years represent a significant 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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