

## Q3 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 September 2025 ("**Q3 FY25**", the "**Quarter**" or the "**Reporting period**").

### KEY UPDATES

- **Revenue:** US\$486k (AU\$738k), up ~13% versus the prior quarter, driven by replenished inventory following prior shortages and early retail momentum. Gross margins remained stable, supported by normalised production schedules and lower manufacturing costs.
- **Retail Expansion:** Happy Tummies® is now stocked in ~5,500 CVS stores. Backfill and initial pipeline shipments were completed during the quarter, with consumer sales commencing in early September. Walmart placement for 2025/26 was renewed, and the range now includes three KidzProtein® SKUs.
- **Operating Cash Flow:** Net cash used in operating activities was US\$379k (AU\$572k), reflecting disciplined cost management. Administrative and corporate costs were elevated due to timing of historical fees, while product manufacturing costs decreased with completion of production runs.
- **Inventory Position:** Final production runs for the full Healthy Heights® portfolio were completed, resolving prior shortages. As at 30 September 2025, inventory supports approximately five months of forecast sales.
- **Financing Activities:** The Company raised AU\$760k (US\$497k) via a share placement to sophisticated and professional investors to support the US retail rollout and working capital.
- **Cash Position:** Cash and cash equivalents at quarter end totalled US\$169k (AU\$256k), supporting ongoing operations

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

"We continue to move forward while increasing revenues and reducing operating expenses. I am encouraged by what we have accomplished so far this year and look forward to continued improvements as the business approaches profitability. We remain committed to delivering long-term value for our shareholders." Mr. Turner said.

## REVENUE PERFORMANCE AND OUTLOOK

Q3 FY25 revenue of US\$486k (AU\$738k) reflects improved product availability and the Company's continued capital discipline. Gross margins remained stable, aided by normalised production schedules and lower manufacturing costs.

With inventory now replenished and retail distribution established, NGS anticipates sequential revenue growth in Q4 FY25 as consumer sell-through from the CVS rollout builds

## RETAIL CHANNEL UPDATES

**CVS Retail Rollout:** All launch and backfill shipments to CVS were completed in July 2025. Physical placement on shelves was achieved in August, with consumer sales commencing in early September. This rollout marks NGS's largest US retail expansion to date.

**Walmart Update:** The in-store product range now includes three SKUs following the addition of the strawberry flavour of KidzProtein® for the 2025/26 year.

## CASH AND FINANCING

As at 30 September 2025, cash and cash equivalents totalled US\$169k (AU\$256k).

The Company completed a share placement raising AU\$760k (US\$497k) and is progressing a follow-on capital raise to support US retail expansion and strengthen working capital. These initiatives are expected to materially improve liquidity and financial flexibility.

## ASX ADDITIONAL INFORMATION

In accordance with Listing Rule 4.7C.1, and as outlined in the attached Appendix 4C, the Company advises that it spent:

- US\$298k (AU\$452k) on product manufacturing and operating costs
- US\$345k (AU\$522k) on administration and corporate costs
- US\$183k (AU\$277k) on staff costs
- US\$0 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.

**ARBN**

642 861 774

**Quarter ended ("current quarter")**

On 30/09/2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (9 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	486	1,364
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(298)	(1,215)
(c) advertising and marketing	-	(85)
(d) leased assets	-	-
(e) staff costs	(183)	(373)
(f) administration and corporate costs	(345)	(656)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(37)	(62)
1.6 Income taxes paid	(2)	(3)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(379)</b>	<b>(1,030)</b>
<b>2. Cash flows from investing activities</b>		
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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	497	497
3.2	Proceeds from issue of convertible debt securities	-	648
3.3	Proceeds from exercise of options	-	123
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(57)
3.5	Proceeds from borrowings	30	167
3.6	Repayment of borrowings	(70)	(210)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>449</b>	<b>1,168</b>

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	99	31
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(379)	(1,030)
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)	449	1,168
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>169</b>	<b>169</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	169	99
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>169</b>	<b>99</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128
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.*

The amount at item 6.1 includes consulting fees paid to director-related entities for services provided from Israel, covering multiple prior quarters, and remuneration (salary, benefits, and taxes) paid to the US-based director. It also includes director fees where applicable.

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
<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	109	109
7.2 Credit standby arrangements	88	61
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>197</b>	<b>170</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>27</b>
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>During the quarter, the Company continued to make repayments under its previous Amazon and Shopify facilities.</p> <p>The Company also maintains corporate credit card facilities totalling US\$88k, of which US\$61k was utilised at quarter end.</p> <p>In parallel, NGS is progressing a capital raising to support its US retail expansion, bolster working capital, and strengthen its overall liquidity position. The capital raising, once completed, is expected to materially improve the Company's financial flexibility in the coming months.</p>		

8. <b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(379)
8.2 Cash and cash equivalents at quarter end (item 4.6)	169
8.3 Unused finance facilities available at quarter end (item 7.5)	27
8.4 Total available funding (item 8.2 + item 8.3)	196
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>(0.52)</b>
<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>	

For personal use only

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?

Answer: No, the entity does not expect net operating cash flows to remain at the current level. The Company anticipates an improvement in cash outflows and an increase in operating cash inflows due to strengthened retail and distribution initiatives in the US market, improved margin performance, and more efficient inventory management. These operational enhancements are expected to reduce the cash burn rate and move the business toward positive cash flow.

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 raised AU\$760K via a share placement in August 2025. It is now proposing an additional capital raising concurrently with the release of its 4C report. Given the completed placement, existing facility arrangements, and ongoing investor interest, the Company believes the proposed raise has a high likelihood of success.

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 operations and meet its business objectives based on several factors: growth in US retail channels, planned cost and margin improvements, completed and proposed capital raisings to support working capital and expansion, and sustained access to finance facilities. Collectively, these provide a credible basis for the Company's ability to operate and pursue its strategy.

*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: ....30 October 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.

*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 paediatric 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.

<https://healthyheights.com> | <https://ngsolutions.co>