

Q4 FY25 UPDATED QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

Nutritional Growth Solutions Limited (ASX: **NGS**) ("**NGS**" or the "**Company**"), a leading US-based health, nutrition, and wellness company, is pleased to provide its Quarterly Activities Report and Appendix 4C Cash Flow Statement for the period ended 31 December 2025 ("**Q4 FY25**", the "**Quarter**" or the "**Reporting period**").

HIGHLIGHTS

- **Revenue:** US\$362k (A\$517k), slightly reduced on previous quarter – Sales anticipated to increase in the near-term following completion of new inventory efficiency practices, initiation of cost-effective marketing campaigns to existing customers and not being constrained by stock level post the capital raise.
- **Operating Cash Flow:** Net cash used in operating activities of US\$181k (A\$258k), marking a 59% improvement on the last quarter following significant reductions in staff, general, administration and corporate costs following implementation of new systems by management
- **Refreshed Board and management:** Strengthened leadership with appointment of experienced director and CEO Andrew Grover who is currently acting CEO and Chair, driving a renewed focus on cost discipline, operational efficiency and scalable growth
- **Financing activities:** Secured firm commitments to raise A\$2.0m via a placement (subject to shareholder approval), supplemented by an interim interest-free loan facility of up to A\$250k to support near-term working capital
- **Additional cost efficiencies:** Identified structural cost savings of approximately US\$600k annually through workforce rationalisation, inventory optimisation and transition to a shared services operating model, effective from February FY26
- **Value accretive M&A opportunities:** Established a shared services platform to support disciplined assessment and potential integration of selective, value-accretive acquisition opportunities without increasing fixed cost base
- **Marketing:** There was no marketing performed in the December Quarter due to low stock levels, the stock levels will be back to normal by mid-February and marketing will recommence.

REFRESHED BOARD IMPLEMENTED TO DRIVE PROFITABILITY AND GROWTH:

During the reporting period, the Company strengthened its Board and executive leadership with the appointment of two experienced directors. Mr Andrew Grover was appointed as a Non-Executive Director, bringing more than 25 years of experience in building and scaling successful businesses across technology, e-commerce, professional services and financial services, including multiple successful exits and extensive governance expertise.

Mr Manik Pujara, who joined the Company in April 2025 as Interim Chief Financial Officer, was appointed as an Executive Director, reflecting the Board's confidence in his leadership and his contribution to financial management, governance and strategic growth initiatives.

Alongside these appointments, Mr Stephen Turner advised he will depart as Chief Executive Officer and Managing Director, effective 30 January 2026. This will result in additional cost savings for the Company and has allowed Mr Andrew Grover to step-in as interim CEO until a suitable candidate is appointed.

COST SAVING AND CAPITAL EFFENCIES IDENTIFIED BY NEW BOARD MEMBERS:

Following the appointment of Mr Grover, a detailed audit was undertaken across NGS' existing operations with a distinct focus on implementing cost savings across inventory management, existing Information Technology practices, the current workforce and general administration expenses.

Upon completion of this audit, the Company has identified several areas for improved capital management. This includes the implementation of new inventory management solutions, expected to underpin further efficiencies ahead of anticipated sales growth, as well as a scale back of existing administration costs.

The Company expects most of these cost savings to come into effect in February FY26, delivering cost savings of US\$600k.

Further, completion of this initiative marks the Company's broader shift to a shared service operating model to support cost discipline and scalability across the business, as well as for potential M&A opportunities. The model centralises key functions including inventory management, logistics coordination, finance and administration, regulatory support, and marketing execution, enabling the Company to optimise working capital, reduce overhead duplication and improve operational efficiency as sales volumes increase. This approach supports disciplined inventory planning, consistent brand messaging across markets, and efficient deployment of marketing spend, while allowing NGS to scale revenue without a commensurate increase in fixed costs.

REVENUE PERFORMANCE AND FINANCIAL OVERVIEW:

Q4 FY25 revenue totalled US\$362k (A\$517k) and receipts from customers were US\$204k (A\$291k). Total receipts from customers generated in FY25 were \$1.56m (A\$2.22m), primarily driven by the Company's established retail distribution footprint.

Net cash used in operating activities for the reporting period totalled US\$181k (A\$258k), down 59% on the previous quarter (Q3 FY25 operating cash outflow: US\$379). This improvement was underpinned by a significant reduction in staff costs, as well as lower administration and corporate costs.

The Company anticipates that revenue will increase in the coming months, following the implementation of several low-level and cost-effective marketing campaigns designed to target its existing customer base. Further, NGS has implemented new inventory management solutions, designed to increase efficiency, allowing for consistent sales growth.

The company was unable to perform any marketing activities in the quarter and relied simply on existing customer continuing to purchase. Stock level will be back to normal mid-February and marketing activities will commence which we expect will increase sales.

The anticipated incremental revenue increases will be underpinned by ongoing capital efficiency initiatives, which have been identified by new Board and management. Most recently, the Board have identified several cost-saving initiatives, which once implemented are expected to deliver savings of US\$600k annually.

These savings, as well as potential sales increases leave NGS well positioned to achieve cashflow breakeven in the near term.

FINANCING ACTIVITIES:

During the quarter, NGS strengthened its short-term cash position following an equity raising to support near-term growth initiatives. The Company received firm commitments from sophisticated and professional investors to raise A\$2m via a share placement at A\$0.02 per share, subject to shareholder approval at an Extraordinary General Meeting. Proceeds are intended to support sales and marketing initiatives, inventory build-up, and general corporate activities as the Company continues to expand its portfolio.

Pending receipt of the placement proceeds, the Company entered into an interim, unsecured loan facility of up to A\$250,000 with Mr Andrew Grover to provide short-term working capital. As at the date of announcement, A\$100,000 had been drawn, with the balance available as needed. The facility is interest-free, repayable by 31 March 2026, and includes no equity or incentive issuance, providing flexible bridge financing while maintaining shareholder alignment.

As at 31 December 2025, the Company held cash and cash equivalents of US\$518k (A\$777k). There was an addition A\$780K received from the capital raise in early January and an addition \$410K AUD which requires shareholder approval.

OUTLOOK:

NGS is focused on the following near-term priorities:

- **Delivering identified cost savings** of ~US\$600k per annually from February FY26 through the implementation of new systems, reduced overheads and a shared services operating model

- **Re-accelerating revenue growth** through low-cost, targeted marketing initiatives directed at existing customers, supported by improved inventory management and fulfilment efficiency
- **Strengthening capital discipline and optionality**, with the business positioned to reach cash flow breakeven in the near term while maintaining flexibility to assess selective, value-accretive M&A opportunities

With a materially lower cost base, improving operational efficiency and targeted growth initiatives underway, the Board believes NGS is well positioned to transition into a more sustainable, scalable and profitable phase of its development.

MANAGEMENT COMMENTARY:

Interim Chief Executive Officer and Acting Chair, Mr Andrew Grover, said:

“Q4 FY25 marked an important reset period for Nutritional Growth Solutions. Following the recent Board changes, the immediate priority of incoming Directors has been to stabilise the business, materially reduce the cost base and put in place systems that allow NGS to grow more efficiently. The actions taken during and immediately following the quarter reflect a deliberate shift toward disciplined execution, capital efficiency and accountability.”

“A comprehensive operational audit has identified clear opportunities to simplify the business and eliminate unnecessary overheads. The cost reductions now being implemented – particularly across administration, inventory management and systems – are expected to deliver meaningful monthly savings from February FY26 onwards, materially improving our cash flow profile. Importantly, these changes are structural in nature and position the Company to scale without a proportional increase in costs.”

“While revenue in the quarter was modestly lower, demand fundamentals remain intact. We are now focused on unlocking growth through targeted, cost-effective marketing to our existing customer base, supported by improved inventory availability and fulfilment efficiency. This combination of tighter cost control and incremental revenue growth underpins our confidence in achieving near-term cash flow breakeven.”

“With a refreshed Board, a simplified operating model and a strong focus on execution, NGS enters FY26 as a leaner, more disciplined organisation. We remain highly focused on delivering sustainable value for shareholders and will continue to assess strategic and value-accretive opportunities that align with this objective.”

Appendix 4C

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

Name of entity
Nutritional Growth Solutions Ltd.

ARBN	Quarter ended ("current quarter")
642 861 774	On 31/12/2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	204	1,568
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(95)	(1,310)
(c) advertising and marketing	-	(85)
(d) leased assets	-	-
(e) staff costs	(88)	(461)
(f) administration and corporate costs	(194)	(850)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(8)	(70)
1.6 Income taxes paid	-	(3)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(181)	(1,211)

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 (12 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)	650	1,147
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	(135)	(192)
3.5	Proceeds from borrowings	83	250
3.6	Repayment of borrowings	(60)	(270)
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	538	1,706

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 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	169	31
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(181)	(1,211)
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)	538	1,706
4.5	Effect of movement in exchange rates on cash held	(8)	(8)
4.6	Cash and cash equivalents at end of period	518	518

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	518	169
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)	518	99

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	109
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. 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	227	127
7.2	88	62
7.3	-	-
7.4 Total financing facilities	315	189
7.5 Unused financing facilities available at quarter end		126
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 existing Amazon and Shopify facilities. The Company also maintains corporate credit card facilities totalling US\$88k, of which US\$62k was utilised at quarter end.</p> <p>In addition, the Company entered into an interim, unsecured loan facility with Director Mr Andrew Grover to provide short-term working capital pending receipt of proceeds from the A\$2.0m placement announced on 3 November 2025. The facility has a total limit of A\$250k, (US\$167k) is interest free and repayable in full on or before 31 March 2026. As at 31 December 2025, A\$100k (US\$67) had been drawn under the facility. No securities, options or other equity-based incentives have been or will be issued in connection with the facility.</p> <p>In parallel, the Company has progressed the A\$2.0m equity placement to support US retail expansion, working capital and general corporate purposes. Completion of the placement is expected to materially strengthen the Company's liquidity position in the near term.</p>	

8. Estimated cash available for future operating activities	\$US'000
8.1	(181)
8.2	518
8.3	126
8.4	644
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.56
<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?

Answer: No. The Company does not expect net operating cash outflows to continue at the current level. From February FY26, structural cost reductions of approximately US\$600k per annum are expected to materially reduce cash burn. In addition, inventory levels are expected to normalise by mid-February, allowing the recommencement of targeted marketing activity and improved customer receipts.

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 has secured firm commitments to raise A\$2.0m via a share placement, subject to shareholder approval, with a portion received after quarter end. The Company also has access to an interim, unsecured, interest free loan facility of up to A\$250k to support short-term working capital. Based on committed funding and investor support, the Company believes these initiatives have 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 based on its current cash balance, unused financing facilities, committed equity funding, and the implementation of material cost reductions from February FY26, which together support near term liquidity and execution of its business 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 January 2026.....

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* – e.g. *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:

Andrew Grover

Interim 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 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>