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NUTRITIONAL GROWTH SOLUTIONS (ASX: NGS) EXCLUSIVE USA IP LICENCE AGREEMENT

+HEALTHY CHEF

Investor Presentation

17 July 2024

NGS STRATEGIC PRIORITIES: KEY GROWTH ENGINES

The Company remains laser-focused on the North American opportunity, leveraging our experienced American team and established distribution network to penetrate the lucrative U.S. retail market.

INCREASE SALES VELOCITY



- **Accelerate Walmart sales velocity**
 - Continued targeted trade campaign
 - Product extensions and innovation.
- **Increase sales on eCommerce platforms**
 - Invest in driving reach and conversion on Amazon, iHerb and D2C website

EXPAND RETAIL FOOTPRINT



- **Increase Walmart Store Coverage**
 - Incremental regional penetration in up to 3,500 Walmart stores.
- **Increase U.S. Retail Footprint**
 - Leverage Walmart's success to expand to other premium retailers, i.e. currently in negotiations with CVS (15,000 stores).

U.S. LICENCE FOR AUSTRALIAN BRANDS



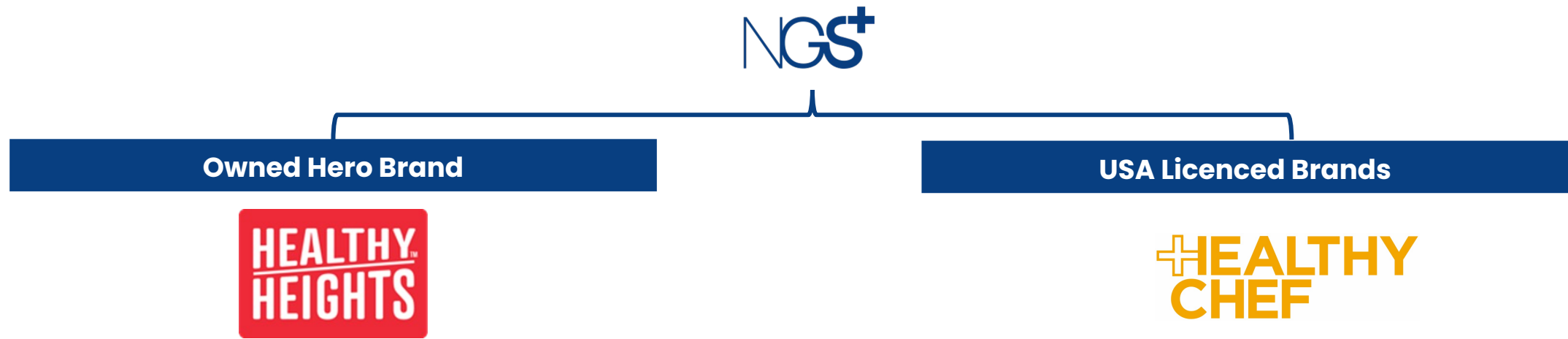
NEW

'HOUSE OF BRANDS' GROWTH STRATEGY

- **Explore Australian Brand Partnerships**
 - Identify synergistic Australian brands with high potential in U.S. marketplace.
 - Generate margin accretive revenue via exclusive U.S. licence arrangements.
 - Capital light model leveraging NGS existing team and distribution platforms.

NEW 'HOUSE OF BRANDS' GROWTH STRATEGY

As presented at the AGM, alongside its existing product range, the Company is pursuing a growth strategy whereby NGS becomes the exclusive North American partner for synergistic Australian brands with high potential in the U.S. marketplace. Today, the Company announced its first strategic partnership and exclusive IP Licence Agreement with The Healthy Chef.



Key Criteria for Brand Licence Selection

- | | |
|---|---|
| <ul style="list-style-type: none"> Highly complementary to existing business & brand portfolio | <ul style="list-style-type: none"> Suitable for existing U.S. infrastructure & distribution channels |
| <ul style="list-style-type: none"> Opportunity to rapidly scale without needing additional capital | <ul style="list-style-type: none"> Expand reach & cross-selling with adjacent customers |
| <ul style="list-style-type: none"> Highly margin accretive with immediate quality revenue | <ul style="list-style-type: none"> Optimise existing organisational structure & corporate costs |

U.S. LICENCE FOR THE HEALTHY CHEF

Nutritional Growth Solutions (“**NGS**”) has entered into an Intellectual Property Licence Agreement (“**IP Licence Deed**”) to become the exclusive licensee for The Healthy Chef (“**Healthy Chef**”) brand in the USA and Canada for a minimum of 3 years.

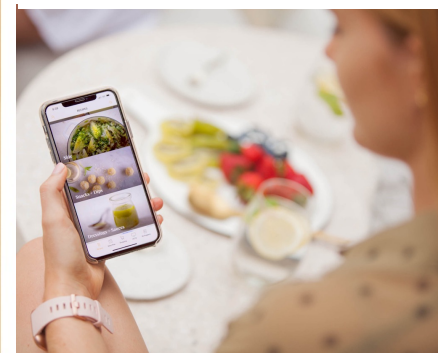
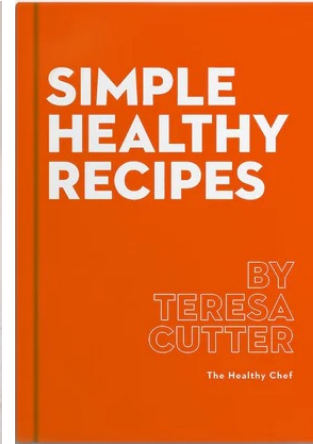
HEALTHY CHEF BUSINESS OVERVIEW

Healthy Chef® is a boutique lifestyle brand offering premium, clean nutrition for women’s health, beauty and wellbeing, with cross-category brand stretch targeting high demand segments.

- Comprehensive range of **28 functional food products** proudly made from wholefood ingredients with science-based formulations.
- **Expected first year revenue of USD \$1.5m (A\$2.2m)** from Healthy Chef sales, or c. **additional 45% of NGS FY23 revenue**.
- Excellent gross margin business modelled to deliver **>50% group gross margin** on NGS P&L.
- Expected to be **margin accretive and cashflow positive in first year** of launch in the USA.
- Aiming to replicate Australian performance on D2C eCommerce website with 1.3m visits annually and **A\$140 avg. order value**.
- Over a **decade of earned brand goodwill** with trusted reputation and wide media exposure to be easily transferred to U.S. market.
- **Premium brand positioning** and pricing strategy to be replicated in the USA, with **7 U.S. trademarks** already registered.
- Personalised customer experience and high engagement from Australian social followers expected to rapidly grow in the U.S.
- Strong brand loyalty with **75% repeat purchase** and 48% EDM open rate in Australia to translate to U.S. market.
- Comprehensive content archives with streams of dynamic digital brand assets to provide instant marketing content for U.S. entry.
- **7 cookbooks**, approx. **2,000 healthy recipes**, and a **meal planning subscription APP** to bolster products revenue.

+HEALTHY CHEF

A chef inspired Australian functional foods brand for women's health, inner beauty and wellbeing.



www.healthychef.com



+HEALTHY CHEF

A boutique lifestyle brand offering premium, clean nutrition with a targeted focus on women's everyday health, inner beauty and wellbeing.

Healthy Chef was founded in 2006 by Teresa Cutter, a Nutritionist, Personal Trainer, Wellness Coach and Chef, who believes wholefood nutrition is essential for optimal health, fitness and wellbeing.

The Healthy Chef premium range of functional food products made from the purest wholefood ingredients with science-based formulations to deliver maximum health impact. They're free from gluten, fillers, and sugar – without compromising on taste.

Healthy Chef inspires women to incorporate healthy eating into their everyday lives with a comprehensive collection of cookbooks, meal planning APP, blog and endless social feed of rich dynamic content to create a deeper connection with consumers and deliver a powerful brand experience through its Direct-To-Consumer (D2C) eCommerce channel.



INHERENT IP VALUE

High potential for commercialising intellectual property and brand goodwill through U.S. product sales, sub-licensing, and recipe or content syndication.

**HEALTHY
CHEF®**

- ✓ Over a decade of earned brand goodwill with trusted reputation for quality products, meaningful engagement with the community, strong social currency and media exposure.
- ✓ Competitive advantage with powerful and searchable brand name and logo to uniquely identify lifestyle product offering.
- ✓ 7 trademarks registered in the USA and Canada.
- ✓ Comprehensive content archives with professionally produced dynamic digital brand assets.
- ✓ 7 cookbooks and c. 2,000 healthy meal recipes created by Teresa Cutter accompanied by 1,500 professionally shot images.

CONSUMERS ARE SPENDING MORE ON WELLNESS THAN EVER BEFORE

50% of U.S. consumers report wellness as a top priority in their day-to-day lives.¹

ON TREND: BETTER-FOR-YOU

Positive macro tailwinds with U.S. consumers shifting to natural, clean and functional products as they prioritise wellness post pandemic.

NATURAL

CLEAN

FUNCTIONAL

Consumers globally spend USD 1.5 trillion on products to improve their health and wellness, with an annual growth rate of 5-10%¹.



CROSS-CATEGORY BRAND STRETCH ACROSS 8 KEY PRODUCT VERTICALS



U.S. consumers increasingly value and seek out products that address needs across several wellness dimensions.

The Healthy Chef range caters to the highest growth demand segments for women's health, inner beauty and wellbeing.

+ WEIGHT LOSS



+ GUT HEALTH



+ HEALTH & FITNESS



+ INGESTIBLE BEAUTY



+ DE-STRESS



+ SLEEP



+ IMMUNITY



+ MENOPAUSE



360° PERSONALISED CUSTOMER EXPERIENCE

Seamless omnichannel brand touchpoints with 28 products to connect with women on their personalised health and wellness journey.

PRODUCT RANGE



SUBSCRIPTION APP



ACCESSORIES



COOKBOOKS

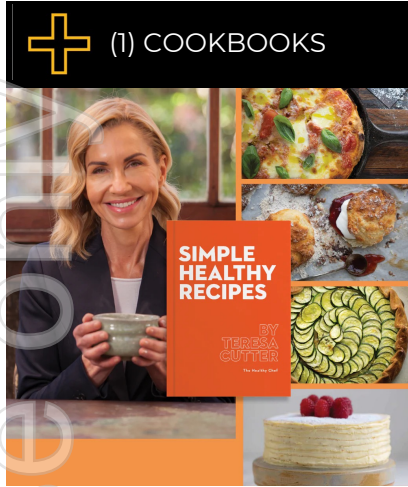


DIGITAL CONTENT



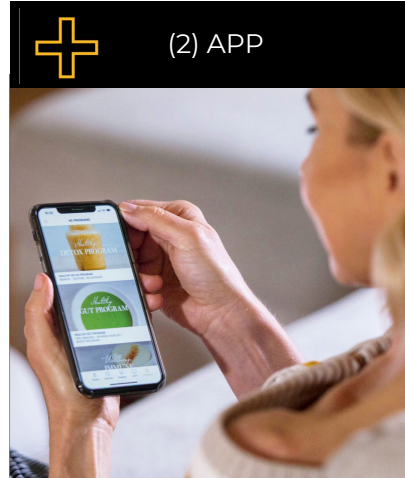
PLANNED USA DISTRIBUTION CHANNEL STRATEGY

Revenue streams will be generated from multiple distribution channels, staged over time.



Healthy Chef cookbook series involving hundreds of hours of creativity in the kitchen and studio production.

Given there are no U.S. local development lead-times or registration requirements, NGS can immediately commence selling cookbooks online and offline, to generate revenue and introduce the Healthy Chef brand to American consumers.



The Healthy Chef App is rich in unique, quality content with high engagement.

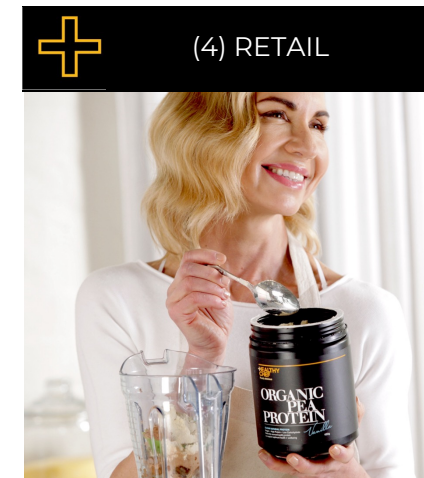
Promoting the App to a wider audience in the USA and Canada will generate a reoccurring revenue stream from monthly subscriptions that can also be customised to drive incremental product sales.

This digital product can have instant reach, placing Healthy Chef brand in the palms of millions of women seeking health, beauty and wellbeing.



>90% of sales revenue in Australia is generated from product sales on the Healthy Chef D2C website.

Investing in a well executed full funnel growth marketing strategy in the USA and Canada, encompassing paid performance social media, user generated content, influencers and affiliates, and a lifecycle marketing strategy, will rapidly generate a strong customer base, basket size and lifetime value given high rates of conversion and loyalty in Australia.



Consumers have become channel agnostic.

There is significant opportunity to expand D2C distribution footprint to an omnichannel presence with USA retail penetration in:

- major grocery & pharmacy
- independent health & fitness outlets
- Amazon and iHerb
- Other eCommerce platforms & online retail

KEY OUTCOMES

The strategic partnership with The Healthy Chef brings transformational scale and positive cashflow.



NGS CEO Stephen Turner with Healthy Chef Founder Teresa Cutter

**Increased revenue expected to be >US\$1.5m (A\$2.2m),
equivalent to c. 45% of FY23 group revenue in 1st year of trading.**

KEY OUTCOMES

- ✓ Highly complementary product portfolios and target consumers
- ✓ Combined distribution network and B2B customer base in the USA
- ✓ Immediate incremental quality revenue with cross-selling opportunities
- ✓ Gross margin improvements for the Group
- ✓ Immediate operational cost synergies
- ✓ No significant additional corporate costs to grow the business at scale
- ✓ Projected to be operationally cashflow positive by the end of CY2024

TACTICS AND OPERATING PLAN

Synergies between both brand portfolios allow for seamless supply chain and team integration to deliver operational efficiencies in the USA and Canada.

PHASE 1 FY24

- Healthy Chef® trademarks are already successfully registered in the USA under multiple categories.
- Given the wellness tailwinds, there is considerable opportunity to manufacture and sell Healthy Chef range in the USA and Canada.
- Immediate Launch of Healthy Chef® cookbooks and digital content in 2H 2024.
- 6mth plan to transfer Healthy Chef® formulations to US based manufacturing, targeting Q1 2025 launch on Amazon, iHerb and DTC site.
- Initial exposure of Healthy Chef® brand at key retail tradeshow Q3 2024. NACDS TSE Aug. 16-19, ECRM Vitamin and Nutrition Sept. 8-11
- Projected to be operationally cashflow positive by the end of FY2024.

PHASE 2 FY25

- Continued exposure and awareness with participation in key tradeshow in 2025 including; EXPO West (March), ECRM Vitamin & Nutrition, and NACDS.
- Continued Healthy Heights® growth on eCommerce channels (D2C, Amazon, iHerb) and projected distribution to retail stores, Q4 2025.
- Rapidly scale Healthy Chef® products in USA via on and offline channels.
- Operational expenses proportionate to incremental growth.
- Group gross margin improvements anticipated to be >50%.

PHASE 3 FY26

- Continued sales growth derived from further retail expansion and continued growth in D2C/e-commerce.
- Incremental revenue streams to be generated from product and market expansion.
- Continued topline growth brings operational efficiencies in SG&A expenses and Cost of Goods (COG).
- Increased scale with limited SG&A allows for significant margin to drop to the bottom line.
- Anticipate significantly improved net profit target.

NGS⁺
Nutritional Growth Solutions

+HEALTHY
CHEF

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