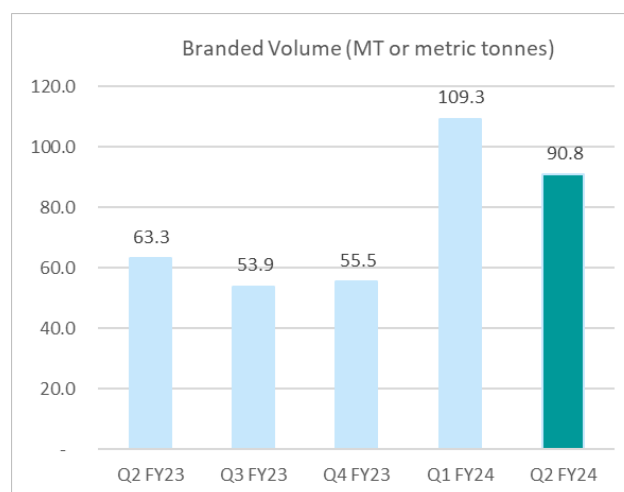
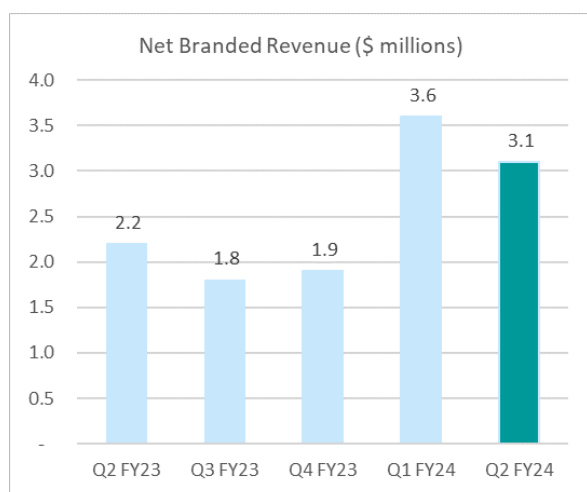


Quarterly Activity Report and Appendix 4C Continued Growth Through Strategic Distribution Agreement

Quarterly Highlights

- Total Group revenue from branded sales of Oli6^{®1} of **\$3.1m** for the quarter, up **\$0.9m** or **44%** on the **previous corresponding period ("pcp")** and **up \$3.0m** or **79%** for **H1 FY24 pcp**
- The strategic distribution agreement with H&S Group continues to deliver solid growth, with significantly higher sales to China Cross-Border e-Commerce (CBEC)
- China CBEC branded sales of Oli6[®] of **\$1.9m** up **76% pcp** and up **158%** for **H1 FY24 pcp**
- Australian retail branded sales of Oli6[®] of **\$1.2m**, with solid growth of **12%** quarter-on-quarter ("**QoQ**") and **5% pcp**
- Oli6[®] voted the "**Number 1 Toddler Drink**" by Product Review for the fourth consecutive year (2021, 2022, 2023 and 2024)
- Revenue from branded sales of Oli6[®] for the trailing 12 months ("**TTM**") ended 31 December 2023 **\$10.5m** (2022: \$7.3m) an increase **\$3.2m** or **44% pcp**
- Having successfully launched **Oli6[®] Immunity⁺** in Q1 FY24, this delivered **\$0.25m** in Q2 FY24 and **\$0.3m** for H1 FY24
- Oli6[®] continues to drive strong momentum in the Australian Retail Goat Infant Formula ("**GIF**") Market, up **11.1%** measured on a Moving Annual Total ("**MAT**") basis for the quarter
- Continued inventory and working capital management has enabled the Group to further reduce its inventory holdings to **\$4.0m** during the quarter, representing a reduction of **~44%** over the last twelve months
- Ongoing, disciplined cash controls ensured cash used in operations was **\$0.1m lower pcp**, with the cash position at 31 December 2023 of **\$5.6m** and \$0.4m financing facility remaining available
- Nuchev continues to actively explore new business development opportunities in domestic and overseas markets aligned with the Group's strategy of providing functional foods for a better life through premium immunity and digestion products

¹ Oli6[®] branded sales are core business, and exclude sales of raw materials and adjustments for recognition of H&S contract incentives



Unaudited	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Growth % (qoq)	Growth % (pcp)
	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023		
Net branded revenue (\$ millions)	2.2	1.8	1.9	3.6	3.1	-15%	44%
Raw materials revenue (\$ millions)	0.3	0.7	0.0	-	0.1	100%	-56%
Total revenue (excluding (\$ millions)	2.5	2.5	1.9	3.6	3.2	-10%	30%
Volume - branded sales (metric tonnes)	63.3	53.9	55.5	109.3	90.8	-17%	43%

Total Group revenue from branded sales of \$3.1m for Q2 FY24, was up 44% pcp

Nuchev delivered net revenue from branded sales of Oli6® of **\$3.1m** or **44% pcp** for Q2 FY24.

Australian retail showed sustained sales growth, and China CBEC sales maintained momentum in line with expectations, taking into account stock builds required in the prior quarter for the annual 11/11 sales event.

Gross margins for Oli6® branded sales remained in line with prior periods.

China CBEC sales of \$1.9m for Q2 FY24 up 76% pcp

During the quarter, the Company recorded branded sales of Oli6® of **\$1.9m** in China CBEC, an increase of **\$0.8m** or **76% pcp** driven by sales in the quarter of **\$1.69m** to **H&S Group** through the exclusive distribution agreement with H&S. Quarter-on-quarter sales in China CBEC were down 25% due to the impact of timing associated with the annual 11/11 sales event. This underlines the importance of the China market and the impact of major sales events.

China CBEC sales for H1 FY24 of **\$4.4m** reflected an increase of **\$2.7m** or **158% pcp**.

Sustained growth in Australian Retail

Total branded sales of Oli6® in Australian Retail up **\$0.13m** or **12% pcp** and **\$0.1m** or **8% QoQ**, predominantly through higher sales in the Pharmacy channel.

Oli6® scan sales across all of AU retail were up **+11.1% in value²**, with Oli6® the fastest growing GIF³ brand available in all major retail outlets. Oli6® has increased its Australian retail market share by 3.5 percentage points over the last 12 months.

² Source: Iqvia Scan Data - MAT quarter to 9th December 2023.

³ Goat Infant Formula



Oli6® voted the “Number 1 Toddler Drink” by Product Review for 4th consecutive year

Product Review, Australia's most trusted platform for formula customer reviews, has once again recognised the excellence of Oli6®, with Product Review voting Oli6® the “**Number 1 Toddler Drink**” for the fourth consecutive year (**2021, 2022, 2023 and 2024**).

This achievement is reflective of our dedication to excellence from product quality through to customer care. This is testament to the trust parents continue to show in the quality and safety of Oli6® products, and loyalty to the Oli6® brand. This recognition not only underscores the brand's commitment to excellence but also solidifies its position as a preferred choice among consumers.

Inventory holdings reduced by 44% LTM

Nuchev's disciplined approach to inventory and working capital management has seen the Group's net inventory holdings reduced from \$5.3m at 30 June 2023 to **\$4.2m** at 31 December 2023⁴, and an overall reduction of **36%** over the last twelve months.

The Group will continue to manage inventory levels in line with forecast sales growth.

Effective working capital management delivered a closing cash position of \$5.6m at 31 December 2023

Net cash used in operating activities was **\$0.1m lower pcp** predominantly due to higher receipts from customers combined with the continued tight control over advertising and marketing, staff and general administration costs.

The Group continues to maintain a robust and flexible balance sheet, with positive working capital and net assets including **\$5.6m** in cash with no debt.

Based on the net cash used in operating activities during the quarter, Nuchev's total cash and cash equivalents together with unused finance facilities available are sufficient to fund operating activities for **6** quarters.

Focusing on the future

Nuchev Interim CEO & CFO Mick Myers commented:

“It is pleasing to report we have had an excellent start to the FY24 financial year, with re-invigorated sales in China, ongoing growth in Australia retail sales, and the successful launch of NPD. This demonstrates we are able to leverage H&S' proven capabilities and accelerate our growth in China CBEC.

During the first half we have successfully launched **Oli6® Immunity⁺**, the first new product developed under the H&S strategic distribution agreement and Nuchev's first Bovine product, generating **\$0.3m** of sales to date. We continue to take an active approach to manage working capital and operations effectively, with inventory levels at 31 December 2023 maintained at **\$4.2m** and total cash used in operations down **\$0.1m pcp**. We will continue to remain disciplined and focused on building shareholder value over the long term.”

ASX Additional Information

Pursuant to ASX Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent \$1.5m on product manufacturing and operating costs, \$0.9m on advertising and marketing, \$0.9m on staff costs and \$0.6m on administration and corporate costs during Q2 FY24.

Details of the business activities are found within this report.

Pursuant to ASX Listing Rule 4.7C.3, the Company advises that payments to related parties consist of \$116,689 to related parties.

The Nuchev Limited Appendix 4C Quarterly Cashflow Statement for the period ended 31 December 2023 is attached.

⁴ Unaudited financial information



For and on behalf of the Company

Mick Myers

Interim Chief Executive Officer and Chief Financial Officer
Nuchev Limited

This announcement has been approved for release by the Board.

For further information please contact:

Tamara Barr
Company Secretary
tamara@csbcorpservices.com

About Nuchev Limited

Nuchev is an Australian based functional foods business built on the purpose of *Food for a Better Life*. Nuchev's products are branded under the Oli6® name and are sold in key Australian Pharmacy and Grocery channels as well as in China and Vietnam markets, through online and general trade retail. Nuchev is committed to sourcing world class ingredients and manufacturing under industry leading Australian manufacturing facilities that ensure the best possible products for our consumers.

Appendix 4C

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

Name of entity

NUCHEV LIMITED

ABN

54 163 225 090

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	2,855	6,260
1.2	Payments for	-	
	(a) research and development	(3)	(41)
	(b) product manufacturing and operating costs	(1,461)	(2,432)
	(c) advertising and marketing	(922)	(2,108)
	(d) staff costs	(871)	(1,956)
	(e) administration and corporate costs	(605)	(1,187)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	13
1.5	Interest and other costs of finance paid	(8)	(15)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	43	43
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(959)	(1,423)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(2)
	(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	-	1
	(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	(2)	(1)

3	Cash flows from financing activities		
3.1	Proceeds from equity securities	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to equity securities	-	(427)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(19)	(36)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Repayment of selling shareholders	-	-
3.10	Net cash from / (used in) financing activities	(19)	(463)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,592	7,479
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(959)	(1,423)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	(463)
4.5	Effect of movement in exchange rates on cash held	(26)	(6)
4.6	Cash and cash equivalents at end of period	5,586	5,586

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 \$A'000	Previous Quarter \$A'000
5.1	Bank balances	1,692	6,262
5.2	Call deposits	3,894	330
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)	5,586	6,592

6	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	117
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Item 6.1 includes:

\$134,693 paid for Directors fees and related payments paid to the Directors

7 Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'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	-	-
7.2	Credit standby arrangements	124	-
7.3	Other credit facilities - Refer below	276	8
7.4	Total financing facilities	400	8
7.5	Unused financing facilities available at quarter end		392
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.		
Facilities comprise:			
- Standby letter credit facility of \$124k secured against a cash-backed deposit, zero interest			
- Other credit facilities of \$276k comprising Trade Facility of \$206k, secured against a cash-backed term deposit with an interest rate of 3.31%, and Credit Card Facility of \$70k.			
These facilities are held with ANZ and are reviewed annually			

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(959)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	5,586
8.3 Unused finance facilities available at quarter end (Item 7.5)	392
8.4 Total available funding (Item 8.2 + Item 8.3)	5,979
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6.2

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: 29 January 2024
 Authorised by: the Board of Directors
 (Name of body or office 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.

