

Nuchev Limited

Level 12/636 St Kilda Rd,
Melbourne VIC 3004
ABN: 54 163 225 090

<https://nuchev.com.au/>



Nuchev Limited

Notice of 2024 Extraordinary General Meeting

Explanatory Statement | Proxy Form

19 June 2024

10:00AM AEST

HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne VIC 3000

The EGM will be conducted as a hybrid meeting, accessible face to face and online.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The EGM will be held as a hybrid meeting. If you are a Shareholder and you wish to virtually attend the EGM, please pre-register in advance for the virtual meeting here:

https://zoom.us/webinar/register/WN_292Lc1tfQM2Ew8fcR6CvgA

Shareholders are also strongly encouraged to lodge their completed Proxy Forms in accordance with the instructions in this Notice of Meeting. This Notice of Meeting can be accessed on the Company's website at <http://investor.nuchev.com.au/>.

Shareholders are asked to contact Tamara Barr, the Company Secretary on tamara@csbcorpsservices.com if they have any queries in respect of the matters set out in these documents.

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Venue and Voting Information

The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (AEST) on 19 June 2024 at HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne VIC 3000 as a **hybrid meeting**.

If you are a Shareholder and you wish to virtually attend the EGM (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

https://zoom.us/webinar/register/WN_292Lc1tfQM2Ew8fcR6CvqA

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the EGM.

Shareholders will be able to vote and ask questions at the virtual meeting.

The Company will provide Shareholders with the opportunity to ask questions during the Meeting in relation to the formal items of business as well as general questions in respect to the Company and its business.

Shareholders are encouraged to submit questions in advance of the Meeting to the Company.

All written questions must be submitted in writing to the Company Secretary, Tamara Barr, at tamara@csbcorpservices.com at least five (5) business days before the Meeting, which is by 12 June 2024.

Key Dates

| | |
|---------------------------------------------------|--------------------------------|
| Record Date for voting eligibility | 7:00pm (AEST) on 17 June 2024 |
| Due date for lodgement of proxy forms | 10.00am (AEST) on 17 June 2024 |
| Extraordinary General Meeting | 10.00am (AEST) on 19 June 2024 |
| Announce results of Extraordinary General Meeting | 19 June 2024 |

NOTE: The above timetable is indicative only. The Company may vary any of the above dates without notice, subject to the Corporations Act, the Listing Rules and other applicable law.

Your vote is important

The business of the Extraordinary General Meeting affects your shareholding, and your vote is important.

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the EGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their *username* and *password*.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website

(<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a *username* and *password*) are advised to take the following steps to attend and vote virtually on the day of the EGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your *username* and *password*.
2. **(Registration on the day)** If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. **(Live voting on the day)** If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>.

Voting by proxy

To vote by proxy, please use one of the following methods:

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|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Online | Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/ . |
| By post | Automic, GPO Box 5193, Sydney NSW 2001 |
| By hand | Automic, Level 5, 126 Phillip Street, Sydney NSW 2000 |
| By email | meetings@automicgroup.com.au |

Your Proxy instruction must be received no later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Nuchev Limited ACN 163 225 090 will be held at 10:00am (AEST) on 19 June 2024 at HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne VIC 3000 as a hybrid meeting (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 7:00pm (AEST) on 17 June 2024.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Special business

Item 7, Section 611 of the Corporations Act

1. Resolution 1 – Acquisition of a relevant interest by H&S Investments on completion of the Proposed Acquisition

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*“Conditional upon Resolution 2 being passed, that for the purposes of item 7 of section 611 of the Corporations Act and the ASX Listing Rules, and for all other purposes, Shareholders authorise and approve the issue of 22,435,898 Shares (at an issue price of \$0.156 per Share) to Brauer Natural Medicine Pty Ltd ACN 008 016 242 (**Brauer Natural Medicine**) on completion of the Proposed Acquisition (noting that Brauer Natural Medicine is an associate of H&S Investments Australia Pty Ltd ACN 643 475 601 as trustee for the H&S Investment Unit Trust ABN 62 122 826 764 (**H&S Investments**), and authorise and approve the issue of 8,151,531 Shares (being the pro rata entitlement of H&S Investments) under the Entitlement Offer and up to 15,201,980 shortfall Shares under the Entitlement Offer at an issue price of \$0.156 per Share) to H&S Investments, as a consequence of which H&S Investments could acquire a relevant interest of up to a maximum of 46.6% of the issued voting Shares of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement.”*

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of H&S Investments and any other person who will obtain a material benefit as a result of the proposed issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of H&S Investments.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval of the Proposed Acquisition

2. Resolution 2 – Approval of the Proposed Acquisition

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Conditional upon Resolution 1 being passed, that, for the purpose of Listing Rule 10.1, and for all other purposes, Shareholders authorise and approve the Company to complete the Proposed Acquisition on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of H&S Investments (being an ultimate beneficial holder of bWellness) and any other person who will obtain a material benefit as a result of the Proposed Acquisition (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of H&S Investments.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval for the issue of securities to a Related Party

3. Resolution 3 – Issue of shortfall Shares to Mr Craig Silbery under the Entitlement Offer

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 2,271,561 shortfall Shares under the Entitlement Offer at an issue price of \$0.156 per Share to Mr Craig Silbery (and/or his nominee(s)), on the terms and conditions in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Craig Silbery (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Craig Silbery.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD

Tamara Barr
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at 10:00am (AEST) on 19 June 2024 at HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne VIC 3000 as a **hybrid meeting**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Extraordinary General Meeting are set out below.

Agenda

Resolutions

Background

H&S Group's existing shareholding in the Company

By way of background, on 15 May 2023, the Company entered into:

- a distribution agreement with a proposed strategic investor and distributor known as H&S Group, which is comprised of H&S International (Aust) Pty Ltd ACN 621 762 285 (**H&S International**) and H&S Investments Australia Pty Ltd ACN 643 475 601 as trustee for the H&S Investment Unit Trust ABN 62 122 826 764 (**H&S Investments**) (**Distribution Agreement**); and
- a Share placement agreement with H&S Investments (**Placement Agreement**) pursuant to which H&S Investments agreed to subscribe for Shares equating to a 15% interest in the Company following the completion of the Entitlement Offer, excluding any issue of Shares to make up the shortfall on the Entitlement Offer or any Options on issue or agreed to be issued (**Placement Shares**) (**Placement**). The Placement was approved by Shareholders at the Extraordinary General Meeting held on Monday, 19 June 2023.

The Distribution Agreement had set out the terms of Performance Options that have been issued to H&S Group with three tranches linked to yearly distribution performance hurdles to be achieved by H&S Group. Each Performance Option, on exercise and upon payment of the exercise price, will convert into a Share on a one-to-one basis.

On 16 May 2023, the Company undertook a non-renounceable pro-rata entitlement offer allowing participation from Shareholders in Australia and New Zealand, as well as those Shareholders covered by Regulation S (**Entitlement Offer**). Following the close of the Entitlement Offer, the Company had a top-up facility which allowed existing Shareholders to subscribe for more than their pro rata entitlement (subject to board discretion as to allocations) (**Shortfall Facility**).

Following the Placement, Entitlement Offer and Shortfall Facility, H&S Investments acquired a shareholding of 19.9%. As at the date of this Notice (arising from the issue of Shares on vesting and exercise of the Tranche 1 Performance Options), the H&S Group acquired a further 5% shareholding, resulting in their relevant interest increasing from 19.9% to 24.9%. The Company previously obtained Shareholder approval under item 7 of section 611 of the Corporations Act to issue Shares in the capital of the Company following vesting and exercise of the Tranches 1, 2 and

3 of the Performance Options by H&S International at the extraordinary general meeting held on 19 June 2023. For further details of this previous transaction, please refer to the prior notice of extraordinary general meeting and explanatory statement announced on 16 May 2023.

Assuming that all the Annual Performance Hurdles are achieved, and that each tranche of the Performance Options is vested and fully exercised, and that there is no further issue of securities during the three year period from the grant date of the Performance Options, H&S Group's voting power in the Company may increase up to a maximum of 34.9% during the three year period from grant of the Performance Options. The Company obtained Shareholder approval under item 7 of section 611 of the Corporations Act to issue Shares in the capital of the Company following vesting and exercise of Tranches 1, 2 and 3 of the Performance Options by H&S International at the extraordinary general meeting held on 19 June 2023.

Material Terms of Proposed Acquisition

As announced to the ASX on 20 May 2024, the Company has entered into a binding agreement (**Share Sale Agreement**) to acquire 100% of the shares in bWellness Pty Ltd ACN 095 359 354 (**bWellness**), an Australian proprietary company (**Proposed Acquisition**).

bWellness Pty Ltd is partly owned by Brauer Natural Medicine Pty Ltd ACN 008 016 242 (**Brauer Natural Medicine**) who is an Associate of H&S International and H&S Investments.

bWellness is a leading distributor of prescription-only, high efficacy premium nutritional and herbal products to over 9,500 Australian and New Zealand based naturopaths, pharmacists, nutritionists, chiropractors and other health care professionals. bWellness owns the leading brand BioPractica and holds exclusion distribution rights for several global health product brands in Australia and New Zealand. Many of these products are supported by extensive clinical trials and scientific research.

Please refer to the Company's ASX announcement and investor presentation released to the ASX on 20 May 2024 for further information about bWellness and the Proposed Acquisition.

The key terms of the Share Sale Agreement are summarised below.

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| Conditions Precedent | <p>The Share Sale Agreement contains a condition precedent that the shareholders of the Company approve the issue of shares in the Company to Brauer Natural Medicine</p> <p>(a) for the purpose of item 7 of section 611 of the Corporations Act; and</p> <p>(b) for the purpose of Listing Rule 10.1,</p> <p>at an extraordinary general meeting of the shareholders of the Company to be held on 19 June 2024.</p> |
| Consideration | <p>The consideration payable by the Company is A\$7 million (Purchase Price) and consists of a combination of cash and scrip consideration payable on completion (depending on the election made by the sellers), comprising:</p> <p>(a) 22,435,898 Shares in the Company (valued at an issue price of A\$0.156, payable to Brauer Natural Medicine Pty Ltd (whereby the Shares are to be escrowed for 2 years from the date of issue); and</p> <p>(b) A\$2,800,000 cash; and</p> <p>(c) A\$700,000 cash which will be subject to the earn-out structure described below).</p> |

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| Adjustments to Target Working Capital and Net Debt | <p>The Purchase Price will be adjusted by any material change (more than 5%) to bWellness' 12-month average monthly net working capital for the 12 months to 29 February 2024 (Target Working Capital) as at Completion. It is the Company's expectation that any such adjustment to the Purchase Price is unlikely to be material.</p> <p>Target Working Capital will include the following items:</p> <ul style="list-style-type: none"> (a) Trade receivables, other receivables, inventory and prepayments; (b) less trade payables, employee provisions (including annual leave, long service leave and superannuation). <p>Additionally, there is a net debt adjustment to capture tax provisions and any indebtedness on completion of the Proposed Acquisition.</p> |
| Earn-out structure | <p>The earn-out payment will be structures as follows:</p> <ul style="list-style-type: none"> (a) 50% of earn-out payable on successful retention of key vendor management for 12 months after completion of the Proposed Acquisition; and (b) 50% earn-out payable on successful achievement of at least A\$1.7 million of EBITDA in the 12 months after completion of the Proposed Acquisition. |
| Transition Plan | <p>The Company has agreed upon a transition plan with bWellness (Transition Plan). Under the Transition Plan, the Company will seek to ensure that it has the relevant support needed from existing bWellness staff to ensure a smooth transition of the business operations to the Company.</p> |
| Key Distribution Contracts | <p>bWellness has exclusive distribution rights with certain distributors and brands in Australia and New Zealand which include Protina, BioGaia, Froximun® and Heel (Key Distribution Contracts). The Company has sought confirmation of waiver of change of control rights for the above listed brands (except Froximun®).</p> |
| Termination Rights | <p>The Company has rights to terminate the Share Sale Agreement where:</p> <ul style="list-style-type: none"> (a) a condition precedent that is for the benefit of the Company is not satisfied or waived by 5pm on 31 July 2024; (b) at any time between signing and completion of the Share Sale Agreement: <ul style="list-style-type: none"> (i) a sellers' warranty is found to be incorrect or misleading in any material respect; (ii) one or more of the sellers breach a material provision of the Share Sale Agreement (including, a |

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| | breach of the confidentiality provisions or non-compete); or (iii) a receiver/liquidator is appointed to the bWellness group or one or more of the sellers. |
| Any other material undertakings of the parties | None. |

The Company has engaged Moore Australia (Vic) Pty Ltd to prepare an Independent Expert's Report to opine on whether the transaction the subject of Resolution 1 is fair and reasonable to Shareholders. A copy of that report is set out in **Annexure A** to this Notice of Meeting which Shareholders should read carefully in full. The Independent Expert has concluded that the transaction contemplated by Resolution 1 is **not fair but reasonable** to Shareholders.

Resolution 1 – Acquisition of a relevant interest by H&S Investments on completion of the Proposed Acquisition

Approval under ASX Listing Rules

The Company is proposing to issue Shares to Brauer Natural Medicine. Pursuant to the Share Sale Agreement, the Shares to be issued to Brauer Natural Medicine are to be escrowed for 2 years from the date of issue.

Conditional upon Resolution 2 being passed, if resolution 1 is passed, the Company will be able to proceed with the issue of Shares in the capital of the Company to Brauer Natural Medicine on completion of the Proposed Acquisition. Brauer Natural Medicine is an Associate of H&S International and H&S Investments. As a result, H&S Group's voting power may increase up to the maximum of 46.6% set out in the Maximum Voting Power Table.

If resolution 1 is not passed, the Company will be unable to issue the scrip consideration to Brauer Natural Medicine for the Proposed Acquisition. As a result, the Company will not proceed with the Proposed Acquisition.

Approval under the Corporations Act

Section 606 prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

A person's voting power in a company is determined in accordance with section 610 of the Corporations Act. A person's voting power is calculated by determining the percentage of the total number of votes attached to all voting shares in the company that a person and its associates have a relevant interest in.

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;

- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control, the exercise of a power to dispose of, the securities.

Exception to the section 606 prohibition

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition under section 606 of the Corporations Act. This exception provides that a person may acquire a relevant interest in a company's voting shares with Shareholder approval.

In order for the exemption pursuant to item 7 of section 611 of the Corporations Act to apply, Shareholders must be given all information known to the person making the acquisition or their Associates, or known to the company, that is material to the decision on how to vote in the resolution, including:

- (a) the identity of the person proposing to make the acquisition and their Associates;
- (b) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition;
- (c) the voting power that person would have as a result of the acquisition;
- (d) the maximum extent of the increase in the voting power of each of that person's Associates that would result from the acquisition; and
- (e) the voting power that each of that person's Associates would have as a result of the acquisition.

Why Shareholder approval is required

As at the date of this Notice, H&S Group has a relevant interest of 24.9% of the issued capital of the Company arising from the vesting and exercise of the Tranche 1 Performance Options (resulting in their relevant interest increasing from 19.9% to 24.9%). This increase did not result in a breach of section 606 of the Corporations Act as Shareholders approved the issue of Shares on vesting and exercise of Tranches 1, 2 and 3 of the Performance Options by H&S International at the extraordinary general meeting held on 19 June 2023.

If Resolution 1 is approved (and provided that the Entitlement Offer Shares have been issued and H&S Group have subscribed for the shortfall Shares set out in the table below), then the impact of the Proposed Acquisition on the shareholding of Brauer Natural Medicine (and H&S Group) following the issue of the 22,435,898 Shares for the Proposed Acquisition is set out in the table below.

These transactions in the table are relevant for the purpose of assessing the impact given the fact that the Entitlement Offer must occur first in time to fund the Proposed Acquisition (and certain events are conditions precedent to the Proposed Acquisition). Therefore, the impact on shareholding must be determined in the broader context of these transactions prior to the acquisition Shares being issued. On the basis that the relevant Annual Performance Hurdles and vesting conditions are satisfied, H&S Group has indicated its intention to exercise those options at the pre-determined exercise price and receive Shares in the Company (noting that the Tranche 1 Performance options have vested and Shares already issued on exercise).

This could increase up to 46.6% if Resolution 1 is passed and the Proposed Acquisition proceeds, and up to a maximum of 52.7% if the Annual Performance Hurdles for Tranche 2 Performance Options and Tranche 3 Performance Options are achieved, and that each of those tranches of the Performance Options is vested and fully exercised, and that there is no further issue of securities during the three year period from grant of the Performance Options.

Impact on issued capital and maximum voting power of H&S Group and Brauer Natural

Medicine

The Company currently has 90,026,939 Shares on issue.

The following table summarises the maximum voting power of H&S Group and Brauer Natural Medicine following the Proposed Acquisition and exercise of the Performance Options (**Maximum Voting Power Table**):

| Increase in voting power of H&S Group and Brauer Natural Medicine caused by: | Number of Shares issued to H&S Group and Brauer Natural Medicine | Issued capital of the Company | Maximum percentage voting power of H&S Group and Brauer Natural Medicine |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------|
| As at date of Notice of Meeting (including the issue of Shares on exercise of Tranche 1 Performance Options) *** | 22,416,708 | 90,026,939 | 24.9% |
| Issue of Shares under the proposed capital raise (H&S pro-rata entitlement) * | 8,151,531 | 123,902,948 | 24.7% |
| Issue of shortfall Shares under the proposed capital raise to H&S Group ** | 15,201,980 | 123,902,948 | 36.9% |
| Issue of Shares under the Proposed Acquisition **** | 22,435,898 | 146,338,846 | 46.6% |
| Issue of Shares following exercise of Tranche 2 Performance Options in FY25 *** | 8,749,000 | 155,087,846 | 49.6% * |
| Issue of Shares following exercise of Tranche 3 Performance Options in FY26 *** | 10,099,000 | 165,186,846 | 52.7% * |

* Assuming that the pro-rata entitlement offer is to raise an amount of approximately \$5,100,000 and that H&S Group subscribe for their full pro-rata entitlement.

** Assuming that H&S Group subscribe for approximately \$2,371,500 of shortfall Shares which is the estimated maximum number of shortfall Shares that may be issued to H&S Group. The Company expects to implement a top-up facility to allow existing Shareholders to subscribe for more than their pro-rata entitlement.

*** Assuming that all the relevant Annual Performance Hurdles are achieved, and that each tranche of the Performance Options is vested and fully exercised (at an exercise price of \$0.25 per Tranche 1 Performance Options, \$0.30 per Tranche 2 Performance Option, and \$0.36 per Tranche 3 Performance Option) and that there is no further issue of securities during the three year period from grant of the Performance Options, noting that the terms of the Performance Options include a limited customary anti-dilution mechanism to adjust the number of Shares into which the Performance Options convert where there is a share split, share consolidation, bonus issue, entitlement offer or other capital reconstruction. The Company previously obtained Shareholder approval under item 7 of section 611 of the Corporations Act to issue Shares in the capital of the Company following vesting and exercise of the Tranches 1, 2 and 3 of the Performance Options by H&S International at the extraordinary general meeting held on 19 June 2023.

**** Subject to Resolution 1 being passed, Shares under the Proposed Acquisition are to be issued

to Brauer Natural Medicine (as an associate of H&S Investments and H&S International). Pursuant to the Share Sale Agreement, the Shares to be issued to Brauer Natural Medicine are to be escrowed for 2 years from the date of issue.

Independent Expert Report

To assist Shareholders in their assessment of Resolution 1, Moore Australia (Vic) Pty Ltd has been appointed as an independent expert to prepare an Independent Expert's Report, the purpose of which is to state whether or not, in their opinion, the proposed issue of Shares under Resolution 1 to Brauer Natural Medicine is fair and reasonable to Shareholders who are not Associates of Brauer Natural Medicine. The Independent Expert's Report is of the opinion that Resolution 1 presents a transaction that is **not fair but reasonable** to the Shareholders.

It is recommended that Shareholders read the Independent Expert's Report carefully in full, as set out in **Annexure A**.

Information for Shareholders under item 7 of section 611 of the Corporations Act

The following information is provided to Shareholders for the purposes of the requirements under the Corporations Act in respect of obtaining Shareholder approval pursuant to item 7 of section 611 of the Corporations Act:

The identity of the person proposing to make the acquisition and their Associates

The person proposing to make the Proposed Acquisition pursuant to item 7 of section 611 is Brauer Natural Medicine.

Brauer Natural Medicine is an Australian proprietary company that is ultimately owned by Jiumulin Australia Pty Ltd ACN 621 632 559 (non-beneficially), Vandillo Pty Ltd ACN 621 511 126 (non-beneficially), Nava Holdings Pty Ltd ACN 627 909 362 (non-beneficially) and RMB Fortune Holdings Pty Ltd ACN 600 814 640 (non-beneficially). Meng Zhang is the sole director and secretary of Brauer Natural Medicine. Meng Zhang is also a director and shareholder of RMB Fortune Holdings Pty Ltd ACN 600 814 640.

H&S International is an Australian proprietary company that is owned by Jiumulin Australia Pty Ltd ACN 621 632 559 (non-beneficially) and Vandillo Pty Ltd ACN 621 511 126 (non-beneficially) in equal proportions. H&S Investments is an Australian proprietary company that is wholly owned by Hung Quoc Nguyen. Hung Quoc Nguyen is the sole director of H&S Investments. Hung Quoc Nguyen is also a director and shareholder of Vandillo Pty Ltd ACN 621 632 559.

For the purposes of Chapter 6 of the Corporations Act, Brauer Natural Medicine Pty Ltd, H&S International and H&S Investments are Associates. This means that the Shares in which Brauer Natural Medicine Pty Ltd have a relevant interest are included in calculating H&S Investments and H&S International's voting power in the Company and vice versa.

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| The maximum extent of the increase in that person's voting power in the company that would result from the acquisition | <p>As at the date of this Notice of Meeting, Brauer Natural Medicine, H&S International's and H&S Investment's voting power in the Company is 24.9%. Brauer Natural Medicine currently does not directly hold Shares in the Company.</p> <p>If Resolutions 1 and 2 are passed, following completion of the Proposed Acquisition, Brauer Natural Medicine, H&S International and H&S Investments may increase to the maximum voting power of 46.6% set out in the Maximum Voting Power Table.</p> <p>H&S International and H&S Investments may increase to the maximum voting power of 46.6% set out in the Maximum Voting Power Table.</p> |
| The voting power that a person would have as a result of the acquisition | <p>If Resolutions 1 and 2 are passed, following completion of the Proposed Acquisition, Brauer Natural Medicine, H&S International's and H&S Investment's voting power may increase to the maximum of 46.6% set out in the Maximum Voting Power Table.</p> |
| The maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition | <p>The maximum extent of the increase in the voting power of H&S Investments and H&S International as an Associate of Brauer Natural Medicine, is 21.7% as set out in the Maximum Voting Power Table.</p> |
| The voting power that each of that person's associates would have as a result of the acquisition | <p>The maximum voting power of H&S Investments and H&S International, as an Associate of Brauer Natural Medicine is 46.6% as set out in the Maximum Voting Power Table.</p> |

Information for Shareholders required by RG 74

Further information required by ASIC Regulatory Guide 74 (RG 74) is set out below:

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| An explanation of the reasons for the proposed acquisition | <p>The Proposed Acquisition will diversify the Company's product set within the health & wellness sector and will be advantageous to the Company for the following reasons:</p> <p>(a) The Proposed Acquisition offers the opportunity to scale and diversify the existing Nuchev business and improve its operating cashflows, while leveraging the Company's organisational structure, supply chain, brand marketing and finance functions.</p> |
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| | <p>(b) The Proposed Acquisition will also provide opportunities to extract improved operating and financial performance from the bWellness business under Nuchev control.</p> <p>(c) The Proposed Acquisition will allow the Company to leverage its existing organisational structure, including its board and executive leadership team as well as enable shared utilisation of the Company's supply chain, marketing, and finance functions to the benefit of both the Company and the bWellness businesses.</p> |
| When the proposed acquisition is to occur | The Shares will be granted to Brauer Natural Medicine within 7 Business Days of the Meeting if Resolutions 1 and 2 are passed. |
| The material terms of the proposed acquisition | The material terms of the Proposed Acquisition can be found in the section titled 'Background' above. |
| Details of the terms of any other relevant agreement between the acquirer and the target entity or vendor (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition | <p>The Company and Brauer Natural Medicine (amongst others) are party to the Share Sale Agreement dated 17 May 2024 for the sale of all the shares of bWellness. The Share Sale Agreement contains a condition precedent that the shareholders of the Company approve the issue of Shares in the Company to Brauer Natural Medicine</p> <p>(a) for the purpose of item 7 of section 611 of the Corporations Act; and</p> <p>(b) for the purpose of Listing Rule 10.1,</p> <p>at an extraordinary general meeting of the shareholders of the Company to be held on 19 June 2024.</p> |
| A statement of the acquirer's intentions regarding the future of the target entity if members approve the acquisition and, in particular: | <p>These intentions are based on information concerning the Company, its business, and the business environment which is known to H&S Group at the date of this Notice. Final decisions regarding these matters will only be made by H&S Group in light of material information and circumstances at the relevant time. Accordingly, the statements set out below are statements of current intention only, which may change as new information becomes available to them or as circumstances change. to change the business of the Company.</p> |
| <ul style="list-style-type: none"> any intention to change the business of the entity; | H&S Group does not have any present intention to change the business of the Company. H&S Group is not considering any alternative options for the future of the Company and their intention is for the Company to run on an as is basis. |

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| | H&S remains aligned with the Group's strategy to growth in scale and considers this be a strategic investment in the Company that further underlines H&S' commitment. |
| <ul style="list-style-type: none"> any intention to inject further capital into the entity; | <p>H&S Group does not have any present intention to inject any further capital into the Company other than to:</p> <p>(a) pay the relevant exercise price to exercise each of the Tranche 2 and Tranche 3 Performance Options if the relevant Annual Performance Hurdles are satisfied (noting that the Tranche 1 Performance Options have vested and Shares already issued on exercise);</p> <p>(b) subscribe for its pro rata entitlement under the Entitlement Offer; and</p> <p>(c) subscribe for shortfall Shares under the Entitlement Offer.</p> |
| <ul style="list-style-type: none"> the future employment of present employees of the entity; | H&S Group does not have any present intention and is not considering any alternative options with respect to the future employment of employees of the Company. |
| <ul style="list-style-type: none"> any proposal where assets will be transferred between the entity and the acquirer or vendor or their associates; and | H&S Group does not have any present intention or proposal and is not considering any alternative options to transfer assets between itself or its Associates and the Company. |
| <ul style="list-style-type: none"> any intention to otherwise redeploy the fixed assets of the entity | H&S Group does not have any present intention and is not considering any alternative options to redeploy the fixed assets of the Company. |
| Any intention of the acquirer to significantly change the financial dividend distribution policies of the entity | H&S Group does not have any present intention and is not considering any alternative options to significantly change the financial or dividend distribution policies of the Company. |
| The interests that any director has in the acquisition or any relevant agreement disclosed in respect of any other relevant agreement disclosed above | None of the Directors has an interest in the proposed issue of Shares to Brauer Natural Medicine in relation to the Proposed Acquisition nor in any of the relevant agreements disclosed above. |
| The following details about any person who is intended to become a director if | |

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|-------------------------------------------------------------------------------------------------------------|------------------------|
| members approve the acquisition: | |
| • name; | <i>Not applicable.</i> |
| • qualifications and relevant professional or commercial experience; | <i>Not applicable.</i> |
| • any associations that the proposed director has with the acquirer, vendor or any of their associates; and | <i>Not applicable.</i> |
| • any interest that the proposed director has in the acquisition or any relevant agreement disclosed above | <i>Not applicable.</i> |

Listing Rules 7.1 and 7.2

Listing Rule 7.1 provides that a company must not (subject to specified exceptions in Listing Rule 7.2), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Pursuant to Listing Rule 7.2 (exception 8), Shareholder approval pursuant to Listing Rule 7.1 is not required where approval is being obtained pursuant to item 7 of section 611 of the Corporations Act. Accordingly, if Resolution 1 is passed by the requisite majority, the issue of Shares to bWellness will be made without reliance on the Company's 15% annual placement capacity and the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1.

Listing Rule 10.11 and 10.12

Listing Rule 10.11 provides that a company must not (subject to specified exceptions in Listing Rule 10.12), without the approval of shareholders, issue or agree to issue equity securities to any of the following persons:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3 (Listing Rule 10.11.4);
- (e) or a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

Pursuant to Listing Rule 10.12 (exception 6), Shareholder approval pursuant to Listing Rule 10.11

is not required where approval is being obtained pursuant to item 7 of section 611 of the Corporations Act.

Directors' recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1 and the reasons for that recommendation are set out below:

- (a) the acquisition of bWellness offers the Company the opportunity to scale and diversify its existing business and improve its operating cashflows, while leveraging its organisational structure, supply chain, finance and brand management skills and resources;
- (b) bWellness product range is aligned with the Company's strategic purpose of providing "Functional Foods (Products) for a Better Life", with the bWellness product range centred on functional health (nutritional, added immunity or digestive-based);
- (c) both businesses are focused on 'science-backed' support for their products, with many of bWellness' products supported by extensive clinical trials / scientific research; and
- (d) the acquisition of bWellness provides the Company with access to complimentary distribution channels through ANZ practitioners and health food stores, with the potential for future sales growth for Oli6® immunity & digestive products.

The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 1.

A voting exclusion statement is included in respect of Resolution 1.

Resolution 2 – Approval of the Proposed Acquisition

Listing Rule 10.1

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose a substantial asset to:

- (a) a related party of the Company (Listing Rule 10.1.1);
- (b) a subsidiary of the Company (Listing Rule 10.1.2);
- (c) a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the Company (Listing Rule 10.1.3);
- (d) an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3 (Listing Rule 10.1.4);
or
- (e) a person whose relationship to the entity or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by Shareholders (Listing Rule 10.1.5).

As at the date of this Notice of Meeting, H&S Group is a substantial (10%+) holder in the Company. bWellness is an Associate of H&S Group. Accordingly, H&S Group is a party covered by the operation of Listing Rule 10.1.

Pursuant to Listing Rule 10.2, an asset is "substantial" if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

The equity interests of the Company as defined by the Listing Rules and as set out in latest audited annual accounts given to ASX under the Listing Rules (being for the half year ended 31 December 2023) is \$9,596,428. A substantial asset is therefore an asset of value greater than \$479,821 (5% of the above figure).

The value of the consideration to be paid for bWellness is greater than 5% of the book value of the

Company's equity (as set out above). Please refer to section 10 of the Independent Expert's Report in **Annexure A** for further details on the valuation of the consideration payable under the Proposed Acquisition.

Accordingly, the consideration payable for bWellness will be considered a "substantial" asset for the purposes of Listing Rule 10.2, and the Company is required to seek Shareholder approval under Listing Rule 10.1 for the Proposed Acquisition.

Conditional upon Resolution 1 being passed, if Resolution 2 is passed, the Company will be able to proceed with the Proposed Acquisition.

If Resolution 2 is not passed, the Company will not proceed with the Proposed Acquisition.

Specific Information Required by Listing Rule 10.5

The following information is provided to Shareholders for the purposes of the requirements under Listing Rule 10.5:

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| The name of the person from whom the entity is acquiring the substantial asset | Pursuant to the Share Sale Agreement, the Company is proposing to acquire all the shares in bWellness from its shareholders which include Brauer Natural Medicine. |
| Which category in rules 10.1.1 - 10.1.5 the person falls within and why | As at the date of this Notice of Meeting, H&S Group is a substantial (10%+) holder in the Company. bWellness is an Associate of H&S Group. Accordingly, Shareholder approval is required as H&S Group is covered by the operation of Listing Rule 10.1.4. |
| Details of the asset being acquired | The asset being acquired is all the shares in bWellness. Please refer to the material terms of the Proposed Acquisition which can be found in the section titled 'Background' above. |
| The consideration for the Proposed Acquisition | The consideration for the Proposed Acquisition is outlined in the material terms of the Proposed Acquisition which can be found in the section titled 'Background' above. |
| The intended source of funds to pay for the Proposed Acquisition | The Company intends to fund the Proposed Acquisition using a combination of cash and scrip consideration (depending on the election made by the sellers). The Company will conduct a capital raise structured as a pro-rata entitlement offer to raise up to approximately \$5,100,000 which will be partially used to pay for the cash component of the Proposed Acquisition. For the scrip component, the Company will issue Shares to Brauer Natural Medicine on completion of the Proposed Acquisition, which is subject to the Company obtaining Shareholder approval under Resolutions 1 and 2. |

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| The timetable for completing the Proposed Acquisition | Indicative timetable: | |
| | Event | Date (2024) |
| | Signing of Share Sale Agreement | 17 May |
| | Notice of Extraordinary General Meeting sent to shareholders | 20 May |
| | Completion of Entitlement Offer | 20 June |
| | Completion of Share Sale Agreement | 26 June |
| If the Proposed Acquisition is occurring under an agreement, a summary of any other material terms of the agreement | Please refer to the material terms of the Proposed Acquisition which can be found in the section titled 'Background' above. | |
| A voting exclusion statement | A voting exclusion statement is included in respect of Resolution 2 of the Notice of Meeting. | |
| A report on the Proposed Acquisition from an independent expert | The Independent Expert's Report is contained in Annexure A of this Notice of Meeting. | |

Directors' recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 2 and the reasons for that recommendation are set out below:

- (a) the acquisition of bWellness offers the Company the opportunity to scale and diversify its existing business and improve its operating cashflows, while leveraging its organisational structure, supply chain, finance and brand management skills and resources;
- (b) bWellness product range is aligned with the Company's strategic purpose of providing "Functional Foods (Products) for a Better Life", with the bWellness product range centred on functional health (nutritional, added immunity or digestive-based);
- (c) both businesses are focused on 'science-backed' support for their products, with many of bWellness' products supported by extensive clinical trials / scientific research; and
- (d) the acquisition of bWellness provides the Company with access to complimentary distribution channels through ANZ practitioners and health food stores, with the potential for future sales growth for Oli6® immunity & digestive products.

The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 2.

A voting exclusion statement is included in respect of Resolution 2.

Resolution 3 - Issue of shortfall Shares to Mr Craig Silbery under the Entitlement Offer

General

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 10.11 (and for all other purposes) to issue up to 2,271,561 shortfall Shares under the Entitlement Offer at \$0.156 per Share to Mr Craig Silbery and/or his nominee(s) under the Entitlement Offer (**Director Shares**). The Director Shares will raise up to \$354,363.52 .

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Shares to a related party. Mr Craig Silbery is a director and therefore is a related party of the Company.

The issue of Director Shares does not fall within any of the exceptions to Listing Rule 10.11 and is therefore conditional upon Shareholder approval.

Listing Rule 10.11

Listing Rule 10.11 is set out in the explanatory statement for Resolution 1 above.

The issue of Director Shares to Mr Craig Silbery falls within Listing Rule 10.11.1 as Mr Craig Silbery is a related party to the Company, and does not fall within any of the exceptions in Listing Rule 10.12. As a result, Shareholder approval is required under Listing Rule 10.11.

If Resolution 3 is passed, the Company will be able to proceed with the issue of Director Shares to Mr Craig Silbery (and/or his nominee(s)) and pursuant to Listing Rule 7.2 (exception 14), the issue of Director Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of Director Shares to Mr Craig Silbery (and/or his nominee(s)), and the Company will not be able to raise funds from issuing Director Shares to Mr Craig Silbery and may seek to raise them from alternate investors.

Specific Information Required by Listing Rule 10.13

The following information is provided to Shareholders for the purposes of the requirements under Listing Rule 10.13:

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| The name of the person | Mr Craig Silbery. |
| Which category in rules 10.11.1 - 10.11.5 the person falls within and why | Mr Craig Silbery falls within Listing Rule 10.11.1 as he is a director of the Company and therefore is a related party of the Company. |
| The number of securities to be issued to the person | The maximum number of Director Shares to be issued is 2,271,561. |
| If the securities are not fully paid ordinary securities, a summary of the material terms of the securities | The Director Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue. |

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| The date on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting | The Director Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). |
| The price or other consideration the entity will receive for the issue | The Director Shares will have an issue price of \$0.156 per Share, raising a total of up to \$354,363.52. |
| The purpose of the issue, including the intended use of any funds raised by the issue | Funds raised from the issue of Director Shares are intended to be used to partially fund the cash component of the Proposed Acquisition, with the remainder applied to fund working capital and transaction costs. |
| If the person is <ul style="list-style-type: none"> - a director and therefore a related party under rule 10.11.1; or - an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package | The issue of Director Shares is not intended to remunerate or incentivise the director. |
| If the securities are issued under an agreement, a summary of any other material terms of the agreement. | The Director Shares are to be offered pursuant to a binding commitment letter pursuant to which Mr Craig Silbery (and/or his respective nominee(s)) will, subject to Resolution 3 being passed, subscribe for Director Shares at an issue price of \$0.156 per shortfall Share under the Entitlement Offer. |
| Voting exclusion statement | A voting exclusion statement is included in respect of Resolution 3 of the Notice of Meeting. |

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Mr Craig Silbery is a director of the Company and therefore is a related party of the Company for the purposes of section 208 of the Corporations Act.

Section 210 of the Corporations Act states that member approval is not needed to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Directors (other than Mr Craig Silbery) have determined that, as the issue of Director Shares is proposed to take place on the same terms as the Entitlement Offer to all Shareholders and the shortfall offer, the financial benefit given by the Company is reasonable in the circumstances where the Company and the recipients are dealing at arm's length. Accordingly, Shareholder approval is not required under Chapter 2E of the Corporations Act.

Directors' recommendation

The Board (excluding Mr Craig Silbery) recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 3.

A voting exclusion statement is included in respect of Resolution 3.

Enquiries

Shareholders are asked to contact the Company Secretary, Tamara Barr, at tamara@csbcorpservices.com if they have any queries in respect of the above matters.

Glossary

AEST means Australian Eastern Standard Time as observed in Melbourne, Victoria.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended from time to time, except to the extent of any express written waiver by the ASX.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Company means Nuchev Limited ACN 163 225 090.

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time.

Director means a current director of the Company.

Distribution Agreement means the distribution agreement between the Company, H&S International and H&S Investments.

Dollar or **"\$"** means Australian dollars.

Entitlement Offer means the non-renounceable pro-rata entitlement offer to be conducted by the Company to raise up to approximately \$5,100,000 (before costs).

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Extraordinary General Meeting or **EGM** or **Meeting** means an extraordinary general meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

Notice or **Notice of Meeting** or **Notice of Extraordinary General Meeting** means this notice of Extraordinary General Meeting dated 20 May 2024 including the Explanatory Statement.

Option means an option to acquire a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Performance Option means a performance option which, subject to its terms, could convert to a Share.

Proposed Acquisition means the acquisition of all the shares in bWellness Pty Ltd ACN 095 359 354.

Proxy Form means the proxy form attached to this Notice of Meeting.

Regulation S means regulation S under the United States Securities Act of 1933 as amended from time to time.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Pty Ltd, Level 5, 126 Philip Street, Sydney, NSW 2000.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Annexure A – Independent Expert Report

NUCHEV LIMITED

Independent Expert's Report and Financial Service
Guide for distribution to Shareholders.

Proposed issue of Shares requiring Shareholder
approval relating to the bWellness acquisition.

16 MAY 2024

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16 May 2024

The Directors
Nuchev Limited
Level 10, 420 St Kilda Road,
Melbourne, VIC 3004

By email, c/o: mick.myers@nuchev.com.au

Dear Directors

INDEPENDENT EXPERT'S REPORT FOR SHAREHOLDERS**PROPOSED ISSUE OF SHARES REQUIRING SHAREHOLDER APPROVAL
RELATING TO THE BWELLNESS ACQUISITION.**

1. We refer to our engagement letter dated 25 March 2024 and are pleased to submit our Independent Expert opinion on the above Proposal.
2. This summary should be read with the body of our Report, which sets out our scope of work, reasoning, and findings. It should also be read with the Notice of Meeting (**NoM**) provided to Shareholders.

1.1. Introduction*Background*

3. Nuchev Limited (**NUC**, **Nuchev** or **Company**) is an Australian company listed on the ASX. The Company's main activity is health and nutrition solutions. It produces, markets, and sells goat milk-based infant formula and nutritional products to consumers mainly in Australia and China.
4. In H1FY24 it reported revenue of \$6.6m and an operating loss of \$3.4m. Net assets were reported as \$9.6m at 31 Dec 23. The current Share price of NUC is \$0.16 per Share and a market cap of \$13.5m¹.
5. On 23 February 2024 the Company signed a non-binding indicative offer (**NBIO**) to acquire 100% of the equity in bWellness Pty Ltd (**bWellness**) for a total enterprise value of \$7.0m to be paid as:
 - \$2.8m in upfront cash (to be funded by a Rights Issue. This funding round is supported by major NUC shareholders including H&S (see below).
 - \$0.7m in cash, but subject to 12 month EBITDA and keyperson earn-out targets.
 - \$3.5m in NUC shares to be issued. The NUC shares will be issued to a related party of H&S International (Aust) P/L (**H&S**). H&S is an existing shareholder of NUC and therefore will increase its holding in NUC which already exceeds 20%.

¹ S&PCapIQ 14 May 2024

Summary of the Proposal

6. The NoM sets out the terms of the H&S **Share Issue** for the bWellness acquisition and the H&S **Rights issue** (including any **Shortfall**) being the subject of this Report. In summary, NUC plans to:
 - Offer to issue to H&S the Share Issue for the bWellness acquisition. The exact number of Shares to be issued was agreed to be based upon the 30-day VWAP price prior to 15 May 2024, which is 15.6 cents per Share.
 - An equal access Rights Issue to raise \$5.1m at an issue price of 15.6 cents per Share. The purpose of the Rights Issue is to fund the \$2.8m cash component of the bWellness Acquisition and for working capital. Under the terms of the Rights Issue, any Shortfall may be taken up by H&S to a maximum of \$2.4m.
7. Therefore, the effect of the Proposal is that if both the Rights Issue and the Share Issue proceeds, then H&S's interest in the Company is likely to exceed 20%. Conversely non-associated ordinary shareholders will have their interest in the Company diluted.
8. As per our engagement terms, the focus of our opinion is on the Share Issue. However due to the combined and interrelated impacts we consider the H&S participation in the Rights Issue (including any Shortfall), Share Issue, the acquisition of bWellness and any alternatives as forming part of the **Proposal** for the purposes of our analysis. Whilst the Directors have advised that it is not subject to shareholder approval, we also include the estimated effects of the Rights Issue for all Shareholders generally as part of our analysis of the Proposal.

1.2. Purpose of this Report

9. As set out in the NoM, an increase in shareholdings above 20% is prohibited under takeover provisions of the Corporations Act 2001 (Cth.) (**Act**) unless it falls into one of the exemptions. Exemptions include an acquisition approved by non-associated shareholders. We consider the ordinary shareholders other than H&S or their associates as the non-associated shareholders (**Shareholders**).
10. You have received advice that our Report is required for the Share Issue the purposes of Act. Our report is also required for ASX Listing Rules 10 (Transactions with persons of influence) and 11 (Significant transactions).
11. Therefore, the Directors have engaged Moore to prepare this Independent Experts Report. The scope of the Report is to assess whether the Proposal is fair and reasonable to Shareholders.

1.3. Basis of evaluation

12. Fairness is a "quantitative" assessment. Reasonableness is a "qualitative" assessment. To assess if the Proposal is fair and reasonable, we have:
 - Undertaken a quantitative assessment. The Proposal is fair if the Post Proposal Share value on a minority basis is greater than the Pre Proposal value on a control basis. This includes an assessment of the value of bWellness shares received for the Share Issue.
 - Assessed the qualitative merits as reasonable if it is fair, or despite not being fair, in the overall best interests of Shareholders.

1.4. Summary of quantitative assessment

13. Table 1 below sets out our estimated values and comparison of the change in Share price Pre and Post Proposal. It also shows Rights Issue and Share Issue price under the Proposal.

Table 1

| \$ whole per Share | Low | Mid | High |
|-------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Evaluation summary | | | |
| Pre Proposal Share price - control | 0.118 | 0.146 | 0.173 |
| Post Proposal Share price - minority | 0.100 | 0.126 | 0.152 |
| Share price Higher / (Lower) Post Proposal | -0.018 Not Fair | -0.020 Not Fair | -0.021 Not Fair |
| Quantitative evaluation | | | |
| Rights Issue & Share Issue price offered | 0.156 | 0.156 | 0.156 |
| Fair value of Shares H&S receives | 0.118 | 0.146 | 0.173 |
| Placement & Options price Higher / (Lower) securities issued fair value | 0.038 Fair | 0.010 Fair | -0.017 Not Fair |
| Quantitative evaluation offer price vs securities | | | |
| Overall Quantitative evaluation | | | Not Fair |

14. We estimate that the Pre Proposal value is 12 cents to 17 cents per Share on a control basis (rounded). On a Post Proposal minority basis, we estimate the Share price is lower and ranges from 10 cents to 15 cents (rounded).
15. The main influence of Pre Proposal Share value is an estimate of Total Enterprise Value (**TEV**) using a capitalised future maintainable revenue method. We selected this methodology as alternate methods were not in our view suitable. The 'low' range in the table means lower estimates of the revenue multiple sourced from market comparables and revenue base.
16. We determined that the equity value is equal to the TEV plus \$1.4m in proceeds from the H&S Performance Tranche 1 Options exercised in early May 2024. There is no debt. We otherwise regard cash as part of net working capital as it is required to fund operating losses and is not available for distribution as a surplus asset.
17. The Post Proposal amounts, were estimated by taking the Pre Proposal control value, adding our estimate of the TEV for bWellness, adding any surplus funds raised, less the liability for the earn-out payment and avoidable transaction costs. The TEV for bWellness was determined by a capitalised future maintainable earnings method. The 'low' range in the table means lower estimates of the earnings multiple sourced from market comparables and EBITDA base
18. For the Post Proposal Equity value, we also applied a minority discount so as to see if a control premium is being paid.
19. The Pre and Post Equity values were then divided by the Pre and Post Proposal number of Shares to derive the Share price. The Pre Proposal number of shares includes 5.6m Tranche 1 H&S Performance Options exercised at 25 cents under the existing distribution arrangements. The Post Proposal number of Shares is following the effects of the Rights Issue and the Share Issue to H&S.
20. As a result, the position of Shareholders is generally worse under the Proposal by about 2 cents per Share (rounded).
21. We also compared the Rights Issue price and Share Issue Price of 15.6 cents per Share to the Pre Proposal Share price of 12 cents to 17 cents on a control basis. The Rights Issue price and Share Issue Price of 15.6 cents is greater than the Pre Proposal Share price at the low and mid ranges but not at the high range.

Fairness opinion

22. The focus of this report is on the Share Issue and the interrelated impacts of the Acquisition and Rights issue. Therefore, our overall opinion emphasises the Pre and Post Proposal assessment following the acquisition of bWellness.

23. As the Post Proposal Share minority values are less than the Pre Proposal control value shown above, we conclude that the Proposal is **Not Fair** to Shareholders.

1.5. Summary of qualitative assessment

24. We summarise the merits of the Proposal and also any alternatives to the Proposal:

Advantages of the Proposal

- bWellness is profitable with a normalised EBITDA for FY23 of \$2.0m being ~25% of NUC's loss for FY23 of -\$8.2m. Therefore it is likely to improve NUC's overall financial performance and mitigate expected ongoing losses.
- bWellness sells wellness products that are in a complimentary market to NUC's products.
- NUC is likely to receive surplus funds of \$2.3m (see paragraph 151) from the Rights Issue to be applied to operations.

Disadvantages of the Proposal

- The Proposal is not fair as it is likely no control premium is being paid.
- Ordinary shareholders will have their voting interests in the Company diluted.
- H&S will likely form a greater significant shareholder block which may further reduce liquidity in the Company's shares. However, it is possible H&S's greater shareholding may increase the minority discount for other shareholders which we have estimated in our fairness assessment as reducing NUC's Share price ~ a half cent.
- The Rights Issue price of 15.6 cents is greater than our view of the Pre Proposal fair value of NUC Shares (12 cents at the low and 15 cents mid ranges) which may be considered reasonable. The Rights Issue price is also equal to the recent traded price, (albeit we consider that price illiquid). Rationally, it would also be less likely for H&S to sell below its purchase price of 15.6 cents which may also benefit minority shareholders. However, without a discount, this may also discourage participation by all Shareholders, resulting in H&S taking up the Shortfall and increasing their interest in NUC further.
- If the Performance Options (see below) are converted to shares at the exercise prices of 25-36 cents, H&S could increase their interest further to ~ 53% Post Proposal.
- The expected avoidable transaction costs of ~\$0.5m.

Other considerations including no change in circumstances

- H&S interests continue to be aligned with the Company in increasing sales and value through the unchanged distribution arrangements.
- H&S retain Tranche 2 & 3 Performance Options under the existing distribution arrangements.

Alternatives to the Proposal

- Directors confirm there are no other Proposals to fund the acquisition of bWellness that are capable of acceptance in the short term.

Impact of the Proposal if the

- Directors advise that the Company is continuing to incur monthly operating losses for at least the remainder of FY24 and into FY25. We

Proposal does not proceed

calculate the H1FY24 monthly operating loss was \$0.6m which we do not expect to improve in the near term if the Proposal does not proceed. The Company has diminishing resources to fund those losses or continue to operate. On 31 December 2023, cash was \$5.6m, which is less than 10 months average operating losses.

- The Directors advise that if the Proposal does not proceed, then it is likely that the acquisition of bWellness will not proceed in its current form or if at all.
- The Directors may also explore other funding opportunities which are likely to be on less favourable terms than the current Proposal.

25. We are mostly persuaded by the advantage of the Proposal in providing funds and a profitable business such that NUC can continue to operate, and the poor consequences if those funds are not received. Therefore, in our opinion the advantages of the Proposal outweigh the disadvantages, and the Proposal is **Reasonable** to Shareholders.

1.6. Summary of Opinion

26. On the balance of the above matters considered, we think that the Proposal is **Not Fair but Reasonable** to the Shareholders of Company.

1.7. Summary of disclosures and limitations

27. Our opinion is subject to the limitations and disclaimers set out in the body of this Report.

Changes in market conditions

28. Our analysis and conclusions are based on market conditions existing at the date of this Report. We have assumed a valuation date of 30 April 2024. A limitation of our conclusion is that market conditions may change between the date of this Report and when the various aspects of the Proposal are concluded.

Individual Shareholder circumstances

29. Acceptance or rejection of the Proposal is a matter for individual Shareholders based upon their own views of value, risk, and portfolio strategy. Shareholders who are in doubt as to the action that they should take in relation to the Proposal should consult their professional advisor.

Financial Services Guide

30. Our Financial Services Guide is attached in **Appendix 4**. This includes the contact details of whom to address any concerns with this Report.

We thank you for the opportunity to assist you in this important matter.

Yours faithfully

Moore Australia (VIC) Pty Ltd

Holder of Australian Financial Services License No.247362



Colin Prasad
Director – Corporate Finance
CAANZ Business Valuation Specialist

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GLOSSARY

| Term | Meaning |
|--------------------|------------------------------------------------------------------------------------------------------|
| ACT | Corporations Act 2001. |
| Acquisition | The acquisition of bWellness as set out in the NoM. |
| APES | Accounting Professional and Ethical Standard. |
| ASIC | Australian Securities and Investments Commission. |
| ASX (GN) | Australian Stock Exchange. (Guidance Note). |
| bWellness | bWellness Pty Ltd, the subject of the acquisition to be funded by the Placement and the Share Issue. |
| CFME / CFMR | Capitalised future maintainable earnings / revenue. |
| Company | Nuchev Limited. |
| DCF | Discounted cash flow. |
| Directors | Directors of the Nuchev Limited. |
| FMV | Fair Market Value. |
| FY | Financial Year ending 30 June. |
| HoA | Non-binding Heads of Agreement between Nuchev and bWellness dated 23 February 2024 |

| Term | Meaning |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H&S | H&S Group entities including H&S International (Aust) Pty Ltd ABN: 93 621 762 285.and H&S Investment Australia Pty Ltd ATF H&S Investment Unit Trust: ABN 621 228 267 64. |
| MAV | Moore Australia (Vic) Pty Ltd – the employer of the authors of this Report. |
| Mithaq | Mithaq Capital SPC – a major shareholder. |
| NUC / Nuchev | Nuchev Limited. |
| Proposal | The Rights Issue and Share Issue and associated conditions set out in the NoM. |
| QMP | Quoted market price. |
| Directors | The Directors of the Company. |
| Rights Issue | The offer made to existing shareholders to issue new shares in the Company at 15.6 cents per Share up to \$5.1m. This includes the Shortfall terms to H&S. |
| RG | ASIC Regulatory Guide |
| Shares | Shares in the Company. |
| Shareholders | The non-associated shareholders of the Company, being non-Director ordinary shareholders and associates (including H&S) who do not take up the Rights Issue, Placement or Share Issue. |
| Share Issue | The issue of shares to H&S for the Acquisition as set out in the NoM. |
| Shortfall | Where H&S may acquire further shares under the Rights Issue if there is a shortfall in subscriptions up to \$2.4m, and Silbery may acquire up to \$0.4m of the shortfall. |

| Term | Meaning |
|----------------|-------------------------------------------------|
| Silbery | Craig Silbery |
| SKU | Stock keeping unit (individual unique product). |
| TEV | Total Enterprise Value. |

2.0 THE PROPOSAL

2.1. Acquisition, Rights Issue, Share Issue

31. The Company signed **NBIO** to acquire 100% of the equity in bWellness for a TEV of \$7.0m to be paid as:
- \$2.8m in upfront cash (to be funded by a Rights Issue). This funding round is supported by major NUC shareholders including H&S and Silbery (see below).
 - \$0.7m in cash, but subject to 12 month EBITDA target of \$1.7m for FY25. It is also a condition that certain key-persons remain in the business.
 - \$3.5m in NUC shares to be issued at a price based upon the 30-day VWAP price prior to 15 May 2024, which is 15.6 cents per Share. The NUC shares will be issued to a related party of H&S who part own bWellness. H&S is an existing shareholder of NUC and therefore will increase its holding in NUC which already exceeds 20%.
 - Other conditions from the NBIO is that the offer is subject to due diligence, funding and Shareholder approvals.
32. The Rights Issue of \$5.1m is made to all current NUC Shareholders to subscribe for 1 NUC Share at 15.6 cents per Share on a pro rata basis reflecting their current interest in NUC. H&S and Silbery have confirmed their intention to participate in the Offer. Dingle has indicated he may participate up to \$0.9m or 50% of his entitlement. If there is a Shortfall in subscriptions, H&S have confirmed their intention to take up the Shortfall up to \$2.4m and Silbery up to \$0.4m (rounded).
33. Table 2 below shows the current Shareholdings 15 May 2024 and the estimated effect of the Proposal including the Rights Issue and the Share Issue as described above, assuming Post Proposal:
- At the Low range, all Shareholders take up their entitlement under the Rights Issue.
 - At the high range, H&S take up the Rights Issue shortfall up to \$2.4m and Silbery up to \$0.4m totalling \$2.7m (rounded).

Table 2

Table 2

| #'000's | | Pre Proposal | | Post Proposal | | Post Proposal | |
|--------------------------------------------------|-----------------|---------------|---------------|----------------|---------------|----------------|---------------|
| Share summary | Associated with | % | | Low | % | High | % |
| Top 5 holders | | | | | | | |
| Whiti Trust | Ben Dingle | 32,084 | 35.6% | 43,752 | 29.9% | 37,854 | 25.9% |
| H&S Investments Australia | | 22,417 | 24.9% | 53,004 | 36.2% | 68,206 | 46.6% |
| Mithaq Capital | | 12,565 | 14.0% | 17,134 | 11.7% | 12,565 | 8.6% |
| Craig Silbery | | 3,693 | 4.1% | 5,035 | 3.4% | 7,307 | 5.0% |
| Chemist Wareh.Mirabooka | | 1,030 | 1.1% | 1,405 | 1.0% | 1,030 | 0.7% |
| Total Top 5 | | 71,789 | 79.7% | 120,329 | 82.2% | 126,962 | 86.8% |
| All Other Shareholders | | 18,238 | 20.3% | 26,009 | 17.8% | 19,377 | 13.2% |
| Total Ordinary Shares | | 90,027 | 100.0% | 146,339 | 100.0% | 146,339 | 100.0% |
| Reconciliation of movement | | | | | | | |
| New Shares to: | | | | | | | |
| Other shareholders under Rights Issue (pro-rata) | | | | 24,586 | | 7,112 | |
| Wilson equity advisory | | | | 1,139 | | 1,139 | |
| Silbery under Shortfall | | | | - | | 2,272 | |

| #'000's | | Pre Proposal | Post Proposal | Post Proposal |
|-------------------------|-----------------|--------------|---------------|---------------|
| Share summary | Associated with | % | Low % | High % |
| H&S under Rights Issue | | | 8,152 | 8,152 |
| H&S under Shortfall | | | - | 15,202 |
| H&S under Share Issue | | | 22,436 | 22,436 |
| Total New Shares | | | 56,312 | 56,312 |

34. Notes on Table 2 are:

- Pre Proposal amounts are stated following H&S exercise of the Tranche 1 Performance Options under existing distribution arrangements in May 2024. H&S were issued 5.6m shares at 25 cents per share.
- Post Proposal, NUC advisors Wilson Equity Advisory will receive 1.1m Shares.
- The Post Proposal “Low” column assumes all shareholders take up their entitlements under the Rights Issue on a pro-rata basis. The Post Proposal “High” column assumes only Dingle takes up 50% or \$0.9m of his entitlement, and Silbery \$0.4m and H&S \$2.4m of the Shortfall.
- H&S may acquire an interest in the Company up to 37% and up to 47% if they take up the Shortfall under the Rights Issue.
- Outside the Top 5, all Other non-associated shareholders may collectively be diluted from 20% to 13%.

35. We have disregarded circa 19.5m options including the H&S Performance Tranche 2 & 3 Options in our analysis. This is because those options continue to exist regardless of whether the Proposal proceeds or not. We note that Nuchev also disregarded those options in its 31 Dec 23 Half-year reporting of earnings per Share.

2.2. Shareholders resolution in the Notice

36. The NOM sets out the resolutions (**Resolutions**) relevant to this Report which we summarise:

- **Resolution 1** Acquisition of a relevant interest by H&S Investments on completion of the Proposed Acquisition per s.611(7) of the Act and ASX Listing Rules. The Share Issue for the purpose of the acquisition of bWellness and any shares issued via the Shortfall from the Rights issue of a relevant interest to H&S up to a maximum of 42%.
- **Resolution 2** – Approval of the Proposed Acquisition, for ASX LR 10.
- **Resolution 3** – Issue of Shortfall shares to Silbery, for ASX LR 10.

37. We understand that H&S are excluded from voting on the above resolutions. We regard the ordinary shareholders other than H&S as the non-associated **Shareholders**.

38. As per our engagement terms, the focus of our opinion is on the Share Issue (**Resolution 1**).

39. However due to the combined and interrelated impacts we consider H&S and Silbery’s participation in the Rights Issue (including any Shortfall), the Share Issue, the acquisition of bWellness and any alternatives as forming part of the Proposal for the purposes of our analysis. Whilst the Directors have advised that it is not subject to shareholder approval, we also include the estimated effects of the Rights Issue for all Shareholders generally as part of our analysis of the Proposal.

3.0 SCOPE OF THIS REPORT

3.1. Purpose

40. An increase in shareholdings is prohibited under takeover provisions in S.611 of the Act unless it falls into one of the exemptions. Exemptions include an acquisition approved by non-associated shareholders of the target (S.611 (7)).
41. You have received advice that shareholder approval and our Report is required for the Share Issue for the purposes of the (S.611 (7)) of the Act. Our report is also required for ASX Listing Rules 10 (Transactions with persons of influence) and 11 (Significant transactions).
42. Therefore, the Directors have engaged Moore to prepare this Independent Experts Report. The scope of the Report is to assess whether the Proposal is fair and reasonable to Shareholders.

3.2. Basis of evaluation

43. The scope of the Report is to assess whether the Proposal is fair and reasonable to the non-associated Shareholders defined above.
44. Fairness is a “quantitative” assessment. Reasonableness is a “qualitative” assessment. We have considered the below guidance in our analysis where relevant. The methodology that we have used to form an opinion as to whether the Proposal is fair and reasonable, is summarised as:

Fairness

45. We have undertaken a quantitative assessment. The Proposal is fair if the Post Proposal Share value on a minority basis is greater than the Pre Proposal value on a control basis. This includes an assessment of the value of bWellness shares received for the Share Issue.
46. We have also considered the Proposal fair if the offer price H&S pay for the Rights Issue and the Share Issue is equal to or above the fair market value of the Pre Proposal Share on a control basis.
47. We utilised historical financial information available as of 31 December 2023 plus adjustments to cater for estimated unavoidable expenses to 15 May 2024 which is our assessment valuation date.

Reasonableness

48. We assessed the qualitative merits as reasonable if it is fair, or despite not being fair, in the overall best interests of Shareholders. We analysed significant matters which include:
 - The advantages of the Proposal.
 - The disadvantages of the Proposal.
 - Any alternatives to the Proposal.
 - The impact if the Proposal does not proceed.

Guidance

49. Resolution 1 refers to approval being sought for an issue of shares under item 7 of s611 of the Act. This is considered a ‘control’ transaction under RG111.8.
50. We have considered RG111.11 in respect of control transactions and whether a control premium is paid. The recommended form of ‘fair and reasonableness’ analysis is consistent with our basis described above.
51. We have undertaken our valuations assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. This is a standard of fair value.
52. We have also assumed premise of value as a going concern.

3.3. Limitations

53. We have only considered the effects of the Proposal.
54. We are not aware of any other significant limitations on scope. Had our work not been limited in scope, then our opinion could differ, perhaps materially.

3.4. Other terms of reference

55. We have conducted our Services according to the guidelines contained in APES 110 *"Code of Ethics for Professional Accountants"* and the principals of APES 225 *"Valuation Services"*.
56. We confirm MAV are the holder of AFSL licence 247 262, which authorises us to provide reports and advice in respect of securities. A copy of our Financial Services Guide is included in **Appendix 4**.
57. Regulatory guidance from ASIC includes:
- RG 112 "Independence of Experts March 2011". We confirm our qualifications and independence in Appendix 3.
 - RG 111 "Content of Experts Reports – October 2020". Relevant guidance is given on the basis of evaluation including the standard of fair market value on a control basis and the use of prospective financial information only where there is a 'reasonable' (and not hypothetical – per RG 170) basis to do so. Specific guidance relevant to this report are referred to above and elsewhere in this Report.
 - RG 170 "Prospective Financial Information – April 2011" – factors that indicate 'reasonable grounds' for prospective financial information.

4.0 PROFILE OF NUC

4.1. Background²

58. Nuchev is an Australian based food business specialising in the development, marketing and distribution of premium Australian-made nutritional, immunity and digestive products globally.
59. Primary products include its Oli6® branded goat infant formula (GIF) and a range of immunity offerings. These products are distributed across various channels in Australia, New Zealand, and China.
60. Directors of NUC are presently:
 - Mr Ben Dingle
 - Mr Jeffrey Martin
 - Ms Michelle Terry
 - Mr Craig Silbery (appointed 16 October 2023).
61. Recent highlights announced by NUC on 26 Feb 2024 include:
 - Australian and China sales channels delivered revenue from branded sales of Oli6® of \$6.7m, an increase of 78%.
 - Strategic distribution agreement with H&S has delivered substantial sales growth in China Cross-Border e-Commerce, with branded sales of Oli6® of \$4.4m. H&S is a distributor of health products in China, and other Asian markets
 - Australian retail branded sales of Oli6® of \$2.3m, with Oli6® continues to drive strong momentum in the Australian Retail Goat Infant Formula Market.
 - Oli6voted the “Number 1 Toddler Drink” by Product Review for the fourth consecutive year.
 - NUC 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.
62. Utilising a capital-light business model, NUC partners with strategic suppliers of functional ingredients and leverage Australian manufacturers with a secure and scalable supply chain. Products are backed by ongoing scientific research and are formulated to support digestion and overall health.
63. The business model focuses on investing in its premium brand positioning and developing a sustainable multi-channel distribution strategy with high quality channel partners.
64. Customers are predominantly its channel partners, including H&S and major Australian retail outlets (Coles, Woolworths, Chemist Warehouse).
65. End consumers of Nuchev’s products are located predominantly in Australia and China.

4.2. Capital structure and Shareholders

66. Table 2 above sets out Shareholders in the Company as of May 2024.

² Source: Directors / management, previous announcements.

67. There are 90.0m shares on issue. All shares carry equal voting rights. There is a total of ~ 1,033³ ordinary Shareholders in Company and each Share is one fully paid Share entitled to one vote at a meeting of the Shareholders.
68. Outside of the top four Shareholders no individual ordinary Shareholder holds more than 2% of the Shares of the Company.
69. Mr Ben Dingle is the founder, Non-Executive Director (Chair) and former CEO of the Company and currently holds 36% of the shares.
70. H&S acquired their Shares during FY23 around the time of entering into the strategic distribution agreement. They presently hold 24.9% following meeting the FY24 sales target to receive 5.6m Tranche 1 Performance options. Those options were converted to ordinary NUC shares at a conversion price of 25 cents.
71. Mithaq is a family office investment entity based in The Kingdom of Saudi Arabia.
72. The contributed equity to the Company to 31 December 2023 was \$101.9 million arising from previous capital raisings including the 2019 IPO.

4.3. Financial Performance of Company

73. The historical financial information in this Section was extracted from the audited financial reports of for 30 June 2022 & 2023 (**FY22** and **FY23**) as well as the audit reviewed report for the half year ending 31 Dec 2023 (**H1FY24**).
74. The Auditor, Ernst & Young issued an unqualified audit opinion dated 31 August 2023 on the FY23 financial report. They issued an unmodified review report on the H1FY24 result on 27 February 2024.
75. We set out below the recent historic financial performance for the Company.

Table 3: Profit and Loss - NUC.

| \$ '000s | | FY22 | FY23 | H1FY24 |
|----------------------------------------------|----------|-----------------|----------------|------------------|
| Nuchev | Note | Audit extract | Audit extract | Reviewed extract |
| Formula & nutritional powder | a | 7,250 | 7,506 | 6,477 |
| Raw materials | a | 2,474 | 1,286 | 126 |
| Total Revenue | a | 9,724 | 8,792 | 6,603 |
| Less cost of sales | | (6,899) | (6,891) | (4,673) |
| Gross profit | b | 2,825 | 1,901 | 1,930 |
| Marketing & selling expenses | c | (4,597) | (2,410) | (2,032) |
| Employment expenses | | (3,702) | (3,950) | (1,937) |
| Distribution, warehouse & logistics expenses | | (916) | (655) | (260) |
| General & administrative & other expenses | | (3,858) | (3,090) | (1,160) |
| EBITDA | e | (10,248) | (8,204) | (3,459) |
| Depreciation | | (199) | (195) | (45) |
| Impairment / FV costs | | (739) | (553) | 32 |
| Other income | | 97 | 213 | 54 |

³ Per FY23 annual report.

| \$ '000s | | FY22 | FY23 | H1FY24 |
|--------------------------------------------|------|-----------------|----------------|------------------|
| Nuchev | Note | Audit extract | Audit extract | Reviewed extract |
| Finance income | | 13 | 16 | 13 |
| Finance costs | | (32) | (84) | (15) |
| Tax expense | | | | |
| Comprehensive / Net profit / (loss) | | (11,108) | (8,807) | (3,421) |

Key Performance Indicators

| | | | | |
|--------------------------------------------------------|---|---------|---------|---------|
| Annualised revenue growth YoY | a | -10.8% | -9.6% | 50.2% |
| Gross profit % revenue | b | 29.1% | 21.6% | 29.2% |
| Marketing & selling expenses % revenue | c | -47.3% | -27.4% | -30.8% |
| Marketing & selling expenses / GP | c | -1.6x | -1.3x | -1.1x |
| Employment expenses % revenue | | -38.1% | -44.9% | -29.3% |
| Distribution, warehouse & logistics expenses % revenue | | -9.4% | -7.5% | -3.9% |
| General & administrative expenses % revenue | | -39.7% | -35.1% | -17.6% |
| EBITDA % revenue | | -105.4% | -93.3% | -52.4% |
| Cash flow from operations | e | (8,301) | (8,301) | (1,541) |
| EBITDA / Cashflow from operations | e | 1.2x | 1.0x | 2.2x |

Source: Financial Reports and MAV analysis. Classifications may differ from the financial reports.

76. Table 4 notes are as follows:

- The Company's revenue is mainly derived from sales of formula and nutritional power. Sales increased YoY in H1FY24 with better channel performance and strategic alignment with H&S.
- Gross margin % averaged 30% for FY22 and H1FY24 which is considered by Directors as normal. The decline in FY23 is an anomaly relating to a non-recurring write down in inventories.
- Marketing and selling costs are a relatively high proportion of sales and as a multiple of gross profit. Marketing costs exceed that of gross profit for all the periods shown. Directors regard marketing and selling expenses are a key enabler to achieving sales in the markets that the Company operates in. Both in establishing the brand and maintaining sales volumes in the competitive market environment. The Company adopted a much stronger focus on the achievement of improved returns from its investment in marketing and selling, which has resulted in the ratio of marketing and selling expenses reducing.
- All other expenses contribute to the significant ongoing losses of the business, although savings have been made. We understand the Company has never made a profit, because it is yet to achieve revenue and margins at a commercial scale.
- Cash flow from operations is also negative, albeit less negative than EBITDA.

77. In our view the historical financial performance of the Company has been poor and unsustainable although showing signs of improvement.

4.5. Financial Position of Company

78. We set out below a summary of the financial position for Company as at, 30 June 2023 and 31 December 2023 extracted from the audited / reviewed financial reports noted above. We also show how we classify items used in our later calculations.

Table 4: Statement of Financial Position

| \$ '000s | Notes | 30-Jun-23 Audit extract | 31-Dec-23 Reviewed extract | Classification |
|-------------------------------------------|-------|----------------------------|----------------------------------|-----------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | a | 7,479 | 5,586 | Working Capital |
| Trade and other receivables | b | 666 | 1,356 | Working Capital |
| Inventories | c | 5,310 | 4,075 | Working Capital |
| Prepayments and other assets | | 1,141 | 861 | Working Capital |
| Total current assets | | 14,596 | 11,879 | |
| Non-current assets | | | | |
| Property, plant & equipment | | 63 | 51 | P&E |
| Intangible assets | | - | - | Other |
| Right of use assets | g | 285 | 253 | Other |
| Other & other financial assets | | 381 | 381 | Other |
| Total non-current assets | d | 729 | 685 | |
| TOTAL ASSETS | | 15,325 | 12,564 | |
| LIABILITIES | | | | |
| Trade and other payables | e | (1,958) | (2,455) | Working Capital |
| Provisions | f | (170) | (142) | Working Capital |
| Lease liabilities | g | (48) | (47) | Other |
| Other | | (13) | (34) | Other |
| Total current liabilities | | (2,189) | (2,678) | |
| Non-current liabilities | | | | |
| Provisions | f | (81) | (75) | Other |
| Lease liabilities | g | (237) | (215) | Other |
| Total non-current liabilities | | (318) | (289) | |
| TOTAL LIABILITIES | | (2,506) | (2,968) | |
| NET ASSETS | | 12,818 | 9,596 | |
| <i>Net operating assets (NWC+P&E)</i> | | | | |
| | | 13,196 | 9,967 | |
| <i>Change in net assets</i> | | | | |
| | | NA | (3,222) | |

Source: Financial Reports and MAV analysis. Classifications may differ from the Financial Reports.

79. Table 3 notes are:

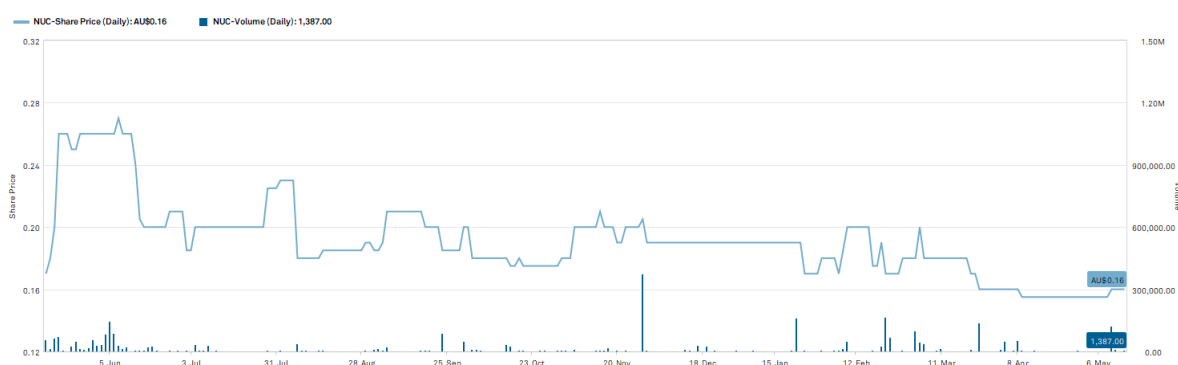
- We regard the whole of the cash balance as part of working capital due to a monthly operating loss run rate of approximately \$0.5 million and therefore not available to Shareholders as a surplus asset.
- Trade and other receivables we assume are in good order and realisable.

- c) Inventories in our view appear high relative to the level of sales. Directors noted in the Company announcement for H1FY24, that disciplined inventory and working capital management has enabled the Group to reduce its Inventory holdings and an improved stock turn ratio. We assume inventory is stated mostly at its cost. However we also expect that significant marketing and distribution expenditure (based on historical trends) would be required to monetise this inventory.
 - d) Plant and equipment relate to office and IT equipment and are minimal. Other intangible assets have either been written off for accounting purposes or are not significant to our assessment of value.
 - e) Trade payables appear to be at reasonable levels given the expenses of the business.
 - f) Provisions relate to employee leave entitlements.
 - g) We disregard the lease liability as largely offset but the ROU intangible asset and is not significant to our analysis.
80. The Company exhibits positive net assets and net operating assets largely as a function of cash and the high inventory balance. The change in net assets from 30 June 2023 to 31 Dec 2023 largely reflects losses.

4.6. Share trading performance of the Company

81. We set out below the Share trading performance of the Company over the last 12 months to May 2024:

Chart – Share price & volume



Source: S&PCapIQ

- 82. The chart shows a decline in the Share price since May 2023. Apart from some isolated periods, trading volumes have generally been flat.
- 83. The implied market capitalisation of the Company at the current Share price of 16 cents⁴ is \$13.5m which is greater than the book net asset value of \$9.6m taken from Table 4.
- 84. We summarise recent Share trading in the following table:

⁴ 14 May 2024

Table 5 recent Share trading summary

| Share trading summary | Last 30 days | Last 3 months | Last 6 months | Last 12 months |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| \$'whole Value | \$41,203 | \$150,259 | \$297,019 | \$583,096 |
| Number of shares | 263,921 | 892,697 | 1,632,407 | 2,872,268 |
| VWAP \$ whole | \$0.156 | \$0.168 | \$0.182 | \$0.203 |
| Number of shares % to total issued | 0.31% | 1.06% | 1.93% | 3.40% |
| Annualised % traded | 3.94% | 4.23% | 3.87% | 3.40% |

Source: S&PCapIQ and MAV analysis

85. We calculated the VWAP for the periods shown in Table 5 as well as the annualised number of shares traded in the periods, (using 84.4m share on issue prior to the issue of the H&S Performance shares in May 2024).
86. This results in a price of ~16 cents in the last 30 days and 17-20 cents over the longer periods.
87. The table shows that the number of shares traded over the past year was 3% of the total shares on issue, or \$0.6m vs a market capitalisation of \$13.5m.
88. The annualised trading was lower in the more recent periods. This is unsurprising given that in aggregate Mr Ben Dingle, H&S and Mithraq control 75% of the shares on issue. We generally consider there is an active and deeply liquid market when there is more than 15% of security turnover in a year, refer **Appendix 5**.
89. In our view, the level of Share trading is highly illiquid and does not support using the current Share price as a meaningful guide to value.

5.0 PROFILE OF BWELLNESS

5.1. Background⁵

90. bWellness is a privately owned Australian company that distributes prescription-only nutritional and herbal products via health practitioners. The business was partly owned by the Managing Director and General Manager, along with two other shareholders. The retention of these two persons for 12 months is a requirement for 50% of the earn-out payment.
91. Its sales arise from five brands, of which one “BioPractica” is an owned brand and accounts for ~ 24% of sales. The other brands bWellness has exclusive distribution rights to Australia and New Zealand:
- Bio-Practica. Stated to be a market leading adrenal health and immunity product range of 23 individual SKU's.
 - Protina. An Alkalizing and magnesium product range from a German based supplier.
 - BioGaia. bWellness has been distributing these gastrointestinal products since 2017 from a Swedish based supplier.
 - Froximun. bWellness has been distributing these intestinal health products since 2015 from a German based supplier.
 - Heel. A range of homeopathic products distributed since 2002 from a German based supplier.
92. bWellness sells products to ~ 9,500+ Australian and New Zealand naturopaths, pharmacists, nutritionists, chiropractors and other health professionals. As such, bWellness focuses on practitioner education for both marketing and business development, rather than direct to consumer sales.
93. Education is through social media posts, e-learning, clinical survey results, industry magazine articles and other similar mediums. Sales are also supported by six business development managers.

5.2. Financial Performance

94. The table below sets out unaudited bWellness management normalised historical financial performance taken from the bWellness Information Pack provided to NUC.

Table 6: Profit and Loss -bWellness

| \$ '000s | | FY22 | FY23 |
|-----------------------------------------|----------|---------------------------|---------------------------|
| bWellness | Note | Unaudited, mgt normalised | Unaudited, mgt normalised |
| Total Revenue | a | 9,756 | 9,001 |
| Less cost of sales | | (4,781) | (3,982) |
| Gross profit | b | 4,975 | 5,019 |
| Other operating income | | 111 | 65 |
| Marketing, trade & promotional expenses | c | (411) | (415) |
| Employment expenses | | (1,773) | (1,858) |
| Other operating expenses | | (452) | (780) |
| Mgt. normalised EBITDA | e | 2,450 | 2,031 |

⁵ Source: Directors / management, bWellness Information Pack.

| \$ '000s | | FY22 | FY23 |
|-----------------------------------------------|------|---------------------------|---------------------------|
| bWellness | Note | Unaudited, mgt normalised | Unaudited, mgt normalised |
| Key Performance Indicators | | | |
| Annualised revenue growth YoY | a | 3.0% | -7.7% |
| Gross profit % revenue | b | 51.0% | 55.8% |
| Marketing, trade & promotional expenses % Rev | c | -4.2% | -4.6% |
| Employment expenses % Rev | d | -18.2% | -20.6% |
| Other operating expenses % Rev | | -4.6% | -8.7% |
| EBITDA % Rev | e | 25.1% | 22.6% |

95. Table notes are:

- a) Revenue is comprised of sales of goods to customers. bWellness experienced strong growth during the COVID years which declined in FY23.
- b) Margins are strong at greater than 50%.
- c) Marketing costs are stable and comprise of conferences, advertising and consultancy fees.
- d) Employment expenses are stated after significant normalisations to deduct owners' remuneration and add-back a stated market value for replacement management.
- e) bWellness management normalised EBITDA is stated at ~ \$2.0 to \$2.5m. We observe that the earn-out target 12 month post completion EBITDA stated in the NBIO is \$1.7m. We use a combination of these values in our calculations below.

96. In our view bWellness financial performance reflects a stable business with positive earnings that ought to be maintainable in the future.

5.3. Financial Position

97. A completion or near completion balance sheet is not currently available. We understand from the Information Pack, that a normalised level of net working capital is expected to be included in the acquisition price. Otherwise, the acquisition will be cash free and debt free.

98. Target net working capital is largely based upon a 12 month average of:

- Trade receivables, other receivables, inventory and prepayments.
- Trade payables, employee entitlements (excluding those of the vendors).
- Other operating items to be agreed.

99. In June 2023, unaudited net working capital was stated as \$1.5m.

6.0 INDUSTRY OVERVIEW

6.1. Overview

100. We are aware of significant industry background provided on the (goat) infant milk industry in Australia and globally in the 2019 Nuchev Prospectus. We refer readers of this report to Section 2 of that Prospectus.

101. IBISWorld also publish more recent data on the following industries⁶.

IBISWorld Summary of industry performance.

| Industry | Historical growth 5 years 2019-2024 | 2023 Industry Total Revenue | Profit margin | Outlook growth 5 years 2024-2029 |
|----------------------------------------------------------|-------------------------------------|-----------------------------|---------------|----------------------------------|
| Milk Powder manufacturing industry in Australia | Revenue growth -2.5% | \$0.83 billion | 0.5% | Revenue growth +1.6% |
| | Profit growth -0.7% | | | |
| Baby Food Manufacturing in Australia | Revenue growth -0.2% | \$0.24 billion | 0.4% | Revenue growth +1.2% |
| | Profit growth -2.4% | | | |
| Vitamin and Supplement Manufacturing in Australia | Revenue growth -0.5% | \$1.60 billion | 10.7% | Revenue growth +2.4% |
| | Profit growth -6.8% | | | |

102. Key takeaways

Milk Powder manufacturing in Australia

Performance:

Milk powder production has plunged over the past five years. Unfavourable weather conditions have seen a sharp fall in raw milk production. Yet, revenue falls have been constrained by strong growth in milk powder prices.

Revenue is forecast to remain volatile, but rise through to 2028-29. Output is expected to continue edging down, but this is set to be mitigated by a rise in world milk powder prices.

External environment:

Baby Food Manufacturing in Australia

Baby food manufacturers have faced divergent demand trends in recent years. Demand for premium baby foods is rising but slow growth in the number of births has weakened overall demand.

Demand is forecast to recover in the coming years. This trend is set to follow from an increase in the number of women in the labour force and growth in the number of births.

Vitamin and Supplement Manufacturing in Australia

Changing Chinese demand patterns have influenced both local sales and export earnings.

Converging health, wellbeing and beauty trends will drive the industry going forwards.

⁶ IBSIWORLD Industry Reports – C1133B, OD5058, OD5417 respectively, August / September 2023.

In January 2020, a national Dairy Industry Code of Conduct was implemented, setting out mandatory conditions for all contracts. Among these conditions is the requirement for processors to establish a minimum milk price.

Dairy Australia is an industry-owned organization dedicated to enhancing the profitability and competitiveness of Australia's dairy sector. It works with the government on trade policies, develop markets for international dairy trade, and emphasize the health benefits of dairy to health professionals and the public.

Baby food producers in Australia are governed by Food Standards Australia New Zealand, with several laws specific to infant foods and formulas. Regulations include nutritional labelling, storage stipulations and age-related restrictions.

While Australia's Federal Government offers little direct aid, baby food manufacturers profit from free trade agreements (FTAs). Despite increased import competition, FTAs lower export tariffs, enhancing growth and access to foreign markets.

New health consciousness trends are seeing consumers adopt an increasingly proactive and holistic approach to their general health and wellbeing.

New regulations relating to sports supplements have meant that many sports medicines have been reclassified as medicines, with associated changes needed to formulation, labelling, claims and advertising

Major industry participants are:

Fonterra Co-op Group
Saputo Dairy Australia
Burra Foods
Bega Cheese

PZ Cussons
Kraft Heinz
Bellamy's Organic
Nestle
Bubs Australia

Blackmores
Sanofi-Aventis Australia
Australia By Saint
CK Life Sciences
Integria Healthcare
Lavida Nutraceuticals Pty Ltd
Vitex Pharmaceuticals Pty Ltd

103. We acknowledge that much of the IBISWorld Milk Powder reporting relates to cow's milk and not goat milk.

6.2. Industry remarks

104. In essence, the infant milk formula market is very large, and the Prospectus described high (>10% annually) market growth opportunities especially in China. This was thought to align with Nuchev's specialty goat milk-based products.
105. We observe that since the Prospectus Nuchev has largely failed to capture a meaningful Share of that market growth.
106. We have no reason to believe that the industry or market opportunity has abated since the disclosures made in the 2019 Prospectus.
107. We observe that the Vitamin Supplement industry (relevant to bWellness) shows a more attractive profile for revenue growth and profit margin than the other industries.
108. Our valuation and assessment of the Proposal does not greatly depend on any further industry analysis.

7.0 VALUATION METHODOLOGIES

7.1. Available methodologies

109. The following summarises the various methodologies we have considered:

- **Market Based:** Business value or equity or an asset is determined by reference to comparable market buy/sell transactions or quoted market prices (QMP) if it is listed on an exchange or recent transactions.
- **Income Based:** Value is determined by reference to capitalised future maintainable earnings or revenue (CFME / CFMR) or discounted cash flows (DCF) derived by the business or asset.
- **Asset Based:** Value is determined by reference to the sale or realisable proceeds of individual assets or groups of assets in an entity.

110. We provide more details of the available valuation methodologies in **Appendix 2** of this Report.

7.2. Selected methodology for Company

Market Based Value

111. NUC is an ASX listed Company with a current Share price of 16 cents and a market capitalisation of \$13.5m. However, for the reasons set out in Section 4.6, we do not believe there is an active and liquid market for the Shares. Therefore, we do not think it is appropriate to use a market-based value for Nuclev. bWellness is a private company with no market price for its shares.

112. We have considered market comparables in our inputs to other valuation techniques.

Asset Based Value

113. NUC's book value of net assets is largely comprised of cash and inventory. However, as noted above the monetisation of inventory requires further marketing and distribution expenditure. Any intangible assets are likely to be a function of the income they generate. Therefore, our preference is to use an income method. This is also the case for bWellness.

Income Based Value

114. NUC is an operating business with positive revenue, but negative EBITDA and cash flows.

115. Given a lack of positive earnings historically or in the near term we have therefore applied a CFMR technique for NUC. For bWellness we have applied a CFME technique given positive EBITDA.

116. Whilst our preference is often for a DCF, in our view there are no reliable forecasts available from management on which to reasonably determine a value. NUC management provided an FY24 budget, however that shows that operating losses are expected to continue. A forecast for FY25 was also provided however, that also shows continued operating losses. Any projection beyond FY25 we think would contain assumptions that are considered hypothetical in the context of RG 170. We do not mean this as a pejorative statement on the prospects of the business, but simply a reflection of the regulatory guidance we are obliged to follow.

8.0 VALUATION OF COMPANY PRE PROPOSAL

8.1. TEV CFMR Method

117. We have assessed the Total Enterprise Value for Nuchev using a CFMR method as set out in the following table:

Table 7: Nuchev CFMR value

| \$'000s | | FY22 | FY23 | FY24 |
|-----------------------------------------------------|--------------|--------------|---------------|----------------|
| CFMR | Ref | Reported | Reported | Annualised Rev |
| Revenue | Tbl.3 | 9,724 | 8,792 | 13,205 |
| Estimated weighting | | 20% | 30% | 50% |
| Simple Average normalised revenue | | | | 10,574 |
| Weighted average normalised revenue | | | | 11,185 |
| | | Low | Mid | High |
| Adopted normalised revenue | | 10,574 | 10,879 | 11,185 |
| Multiple | | 0.9x | 1.1x | 1.3x |
| Equals estimated CFMR TEV | | 9,249 | 11,720 | 14,192 |
| <i>Book value of net operating assets 31 Dec 23</i> | <i>Tbl.4</i> | 9,967 | 9,967 | 9,967 |

Operating revenue

118. This is taken from Table 3 for the periods shown FY22 and FY23 as reported revenues as well as H1FY24 annualised revenue as of December 2023. We acknowledge that the second half of FY24 may not be as strong as a simple annualization would suggest. We cater for this in our weightings.

MAV Normalisations

119. We have not applied any specific revenue normalisations.

Weightings

120. In estimating our weightings, based on our judgement we place more emphasis on FY24 revenue. This is given H&S achieved their performance target. As per Table 3, for the full year FY23 revenue was \$8.9m. That H1FY24 revenue was \$6.6m or ~75% of the FY23 full year result gives us some confidence to apply more weight to the more recent period. Nevertheless, as noted, (para 118) our weightings are such that out of caution our adopted normalised revenue ranges are less than what an annualised FY24 would suggest.

Normalised revenue

121. We calculate a simple average and a weighted average of historical normalised revenue. We use that range as the low and high values and calculate a mid-value.

Market multiples

122. Our estimate of the revenue multiple is taken from our comparable company and comparable deal data set out in **Appendix 6**.
- The comparable company data sourced from S&PCapIQ is based on Australia & New Zealand public listed companies that provide milk or similar food products. The liquid minority revenue multiple ranges 0.3x to 2.6x with an average of 0.9x.
 - Comparable company deals are sourced from Mergermarket. We assume the deal data is based upon control transactions. Revenue multiple ranges are from 0.5x to 5.3x excluding outliers with an average 1.6x. The high value was for "Bellemys" and was a large transaction in 2019. Pure Nutrition Ltd in June 2023 was a \$23m deal at an implied 25.4x revenue. However we regard that deal as an outlier, given the larger disparity between it and all other deals. Whilst there have been other more recent transactions in the sector, few were with

publicly available data disclosed to give a meaningful guide to value. We think the presence of more recent deals supports that there is an ongoing market for milk businesses, even if current deal valuation metrics are unclear.

Premium for control

123. A premium for control can be defined as an amount or a percentage by which the pro-rata value of a controlling interest exceeds the pro-rata value of a non-controlling interest in a business enterprise, to reflect the power of control. The requirement for an explicit valuation adjustment for a control premium depends on the valuation purpose, methodology and approach adopted.
124. An Australian empirical study⁷ calculated observed premiums paid in takeovers to be in the order of 22%-35% over the long run. However takeover premiums in any period were volatile depending on the sectors involved and the economic cycle. This is based upon successful takeover offers and schemes of arrangement completed between 2005 and 2020 for companies listed on the ASX. Another study of ASX takeover data from 2012 to 2023⁸ showed median acquisition premiums of 35% but ranging from 15% to 46% by industry.
125. We have also considered other empirical control premium studies and authorities⁹ that take into account international markets. KPMG's 2019 valuation practices survey (not an empirical study) notes premiums for control adopted in the range of 14-34%.
126. It is not clear from acquisition price observational studies as to how much of an acquisition premium is paid for control, versus other factors including synergies or irrational exuberance. In theory, the value of control arises from the ability to optimise business decisions and improve returns to the owner. However, H&S already likely influences the performance of the NUC business through the existing distribution arrangements. Therefore, any advantage for further control through the ability to influence business decisions or cashflows in our view is likely to be at the lower end of price premiums.
127. We therefore adjust the average comparable company multiple above for a 20% control premium. No control premium adjustment is required for deal comparables as we assume the deals were control transactions.

Specific risk discount

128. Some of the comparable companies and comparable deals are larger or more diversified than NUC. For example, we observe that for many of the comparables they:
 - Are larger or in some cases much larger than Nucheve in revenue.
 - Show a mixture of operating EBITDA profits and losses.
 - Show strong 3-year compound or last financial year revenue growth.
 - We think that amongst the sample companies, Noumi Limited (ASX:NOU) which markets special plant and dairy based products has some comparability to Nucheve. Its revenues are larger, and it is profitable, but its revenue growth rate is low. Bubs Australia Limited (ASX:BUB) shows \$68.0m in revenues, 14% CAGR 3-year revenue growth, but very high LTM losses.

⁷ <https://www.rsm.global/australia/report/control-premium-study-2021>

⁸ <https://www.findex.com.au/insights/article/acquisition-premium-study-an-analysis-of-acquisition-premiums-in-australia-from-2013-to-2023>

⁹ Mergerstat, & Pratt "Discounts & Premiums, 2nd edition

129. We also think the near term losses and likelihood of the Company requiring further funding is a specific risk. We have therefore applied a specific risk discount of 20%.

Multiple conclusion

130. This results in an estimated revenue multiple applicable to NUC range of 0.9x to 1.3x.
131. In the context of our assessment of the Proposal, we prefer to err on the side of overvaluing Nuchev rather than undervaluing it and add a net control premium. This is consistent with ASIC RG 111 guidance which we are obliged to follow in that a control premium should be added.

Estimated CMFR TEV

132. Our calculations result in the range of TEV shown from \$9.2m to \$14.2m.
133. As stated above, due to negative earnings and the hypothetical nature of forecasts, we are unable to provide a cross check to value using a DCF based approach.
134. We compare the TEV shown to the net operating assets as a cross check. Our TEV is greater than the net operating asset value at the high and mid-ranges and below that at the low range. This means there is only modest goodwill or intangible assets in our value at the mid-range. We think this is plausible due to:
- Low revenue growth.
 - Historical and near term expected operating losses.
 - Accounting impairment of intangible assets in recent financial reports.

8.2. Nuchev Pre Proposal equity value

135. We set out below our calculation of adjustments from TEV to equity value for Nuchev Pre Proposal.

Table 8: Nuchev equity value

| \$'000s | | Low | Mid | High |
|---------------------------------------------------------------------|-------|----------------|----------------|----------------|
| Equity value Pre Proposal | Ref | | | |
| Adopted TEV (CFMR) | Tbl.7 | 9,249 | 11,720 | 14,192 |
| Equity adjustments - H&S Tranche 1 options proceeds | | 1,405 | 1,405 | 1,405 |
| Equals estimated equity fair value (control basis) | | 10,654 | 13,125 | 15,597 |
| Number of Shares #'000's Pre Proposal | | 90,027 | 90,027 | 90,027 |
| Pre Proposal share price \$ whole (control value, undiluted) | | \$0.118 | \$0.146 | \$0.173 |

TEV

136. The TEV is taken from Table 7.

Equity adjustments

137. We add \$1.4m in cash proceeds received in May 24 from the exercise of 5.2m H&S Performance Options at 25 cents per Share. We think there is no other material net debt. We disregard the lease liability and do not regard other cash as a surplus asset for the reasons set out below Table 4.

Shares outstanding

138. Pre Proposal the Company has 90.0m Shares outstanding taken from Table 2 on an undiluted basis. We show the impact of fully diluted Shares later in our evaluation.

Pre Proposal value per Company Share

139. We estimate the Pre Proposal value is 12 cents to 17 cents per Share (rounded).

9.0 VALUATION OF BWELLNESS

9.1. CFME Method

140. We have assessed the Total Enterprise Value for bWellness using a CFME method as set out in the following table:

Table 9: bWellness CFME value

| \$'000s | | FY22 | FY23 |
|-------------------------------------|--------------|--------------|---------------|
| bWellness CFME | Ref | Unaudited | Unaudited |
| Normalised EBITDA | Tbl.6 | 2,450 | 2,031 |
| Estimated weighting | | 40% | 60% |
| Simple Average normalised revenue | | | 2,241 |
| Weighted average normalised revenue | | | 2,199 |
| | | Low | Mid |
| Adopted normalised EBITDA | 1,700 | 1,970 | 2,241 |
| Multiple | 3.9x | 4.5x | 5.0x |
| Equals estimated CFME TEV | 6,567 | 8,850 | 11,133 |

Normalised EBITDA

141. This is taken from Table 6 for the periods shown and is based upon bWellness normalised historical earnings disclosed in their Information Pack as described in Section 5.2.

Weightings

142. In estimating our weightings, based on our judgement we place more emphasis on FY23 as we consider more recent data to be likely more relevant.

Normalised EBITDA

143. We calculate a simple average and a weighted average of historical normalised revenue. As they are similar, we use the higher value as the high value. We observe that the earn-out target 12 month post completion EBITDA stated in the NBIO is \$1.7m. Therefore, we adopted that as the low value and calculate a mid-value.

Market multiples

144. Our estimate of the EBITDA multiple is taken from our comparable company and comparable deal data set out in **Appendix 7**.
- The comparable company data sourced from S&PCapIQ is based on major exchange public listed companies that provide wellness or similar health products. The liquid minority EBITDA multiple ranges 1.6x to 11.7x with an average of 6.5x.
 - Comparable company deals are sourced from Mergermarket. We assume the deal data is based upon control transactions. EBITDA multiple ranges are from 4.6x to 23.3x. Excluding outliers an average of 9.9x. An outlier value was Blackmores in April 2023, a \$1.9billion deal at 22.8x. Whilst there have been other more recent transactions in the sector, few were with publicly available data disclosed to give a meaningful guide to value. We think the presence of more recent deals supports that there is an ongoing market for wellness businesses, even if current deal valuation metrics are unclear.

Premium for control

145. We adjust the average comparable company multiple above for in our judgement a 20% control premium (refer discussion paragraph 123). Due to H&S's interest in bWellness, similarly we think any premium would be at the lower end of ranges. No control premium adjustment is required for deal comparables as we assume the deals were control transactions.

Specific risk discount

146. Many of the comparable companies and comparable deals are much larger or more diversified than bWellness. For example, we observe that for many of the comparables they:
- Are larger or in some cases much larger than bWellness in revenue, (e.g. FitLife brands Inc).
 - Show a mixture of operating EBITDA profits and losses, (e.g. McPherson's Limited has \$7.5m in EBITDA).
 - Are more diverse by distributing internationally or manufacturing, (e.g. Biome, McPherson's, BWX, Bioxyme, Star Combo Pharma).
147. Therefore, we have therefore applied a specific risk discount in our judgement of 50%, higher than for NUC given bWellness status as a small private company. Whilst NUC may be financially underperforming relative to bWellness, by comparison, bWellness has less:
- Board and management depth.
 - Governance and reporting standards (pre purchase).
 - Capacity to raise funds.

Multiple conclusion

148. This results in an estimated EBITDA multiple applicable to bWellness range of 3.9x to 5.0x. We observe that deal TEV of \$7.0m has an implied FY24 Target EBITDA multiple of 4.1x.

Estimated CFME TEV

149. Our calculations result in the range of TEV shown from \$6.6m to \$11.0m, with the actual deal TEV of \$7.0m falling within this range.

9.2. bWellness equity value

150. We understand that the Acquisition is negotiated on a cash free / debt free basis. Therefore, the only material tangible assets of bWellness expected at completion are net-working capital items, which are included in the headline acquisition price. This price therefore represents both total enterprise value and total equity value.
151. The final Acquisition price at completion is subject to normal completion balance sheet adjustments for the actual net working capital (versus a target) and debt or debt like items on a dollar for dollar basis. For purposes of our analysis, we have assumed nil adjustments, as any completion adjustments are unlikely to be material to our opinion.

10.0 VALUATION OF NUC POST PROPOSAL

10.1. Valuation of NUC Post Proposal

152. We set out our calculations to assess the valuation of NUC Post Proposal.

Table 10: Nuchev Post Proposal equity value

| \$'000s | | Low | Mid | High |
|------------------------------------------------------------|-------|----------------|----------------|----------------|
| Equity value Post Proposal | | | | |
| Pre Proposal estimated equity fair value | Tbl.8 | 10,654 | 13,125 | 15,597 |
| Plus fair value of bWellness | Tbl.9 | 6,567 | 8,850 | 11,133 |
| Plus residual proceeds from Rights Issue | | 2,300 | 2,300 | 2,300 |
| Less liability for earn-out payment to bWellness | | (700) | (700) | (700) |
| Less expected transaction costs | | (505) | (505) | (505) |
| Equals estimated equity fair value (control basis) | | 18,316 | 23,071 | 27,825 |
| Less minority discount | 20% | (3,663) | (4,614) | (5,565) |
| Equals estimated equity fair value (minority basis) | | 14,653 | 18,456 | 22,260 |
| Number of Shares #'000's Pre Proposal | Tbl.2 | 90,027 | 90,027 | 90,027 |
| Add shares to other shareholders under Rights Issue | Tbl.2 | 24,586 | 15,849 | 7,112 |
| Add shares to Wilson equity advisory | Tbl.2 | 1,139 | 1,139 | 1,139 |
| Add shares to Silberry under Shortfall | Tbl.2 | - | 4,718 | 9,436 |
| Add shares to H&S under Rights Issue | Tbl.2 | 8,152 | 8,152 | 8,152 |
| Add shares to H&S under Shortfall | Tbl.2 | - | 4,019 | 8,038 |
| Add shares to H&S under Share Issue | Tbl.2 | 22,436 | 22,436 | 22,436 |
| Equals Post Proposal number of Shares #'000's | | 146,339 | 146,339 | 146,339 |
| Post Proposal Share price \$ whole (minority value) | | \$0.100 | \$0.126 | \$0.152 |

Pre Proposal equity value

153. The Pre Proposal equity value for NUC is taken from Table 8. The fair value of bWellness is taken from Tbl.9.

Effects of the Proposal

154. The effects of the Proposal are:

- The residual proceeds of \$2.3m being the \$5.1m Rights Issue raise less the cash payable to bWellness vendors of \$2.8m.
- Less the liability to the bWellness vendors for the potential earn-out payment of \$0.7m. We have assumed the earn-out will be payable in full for the purposes of our analysis, as this reflects a conservative case for the interests of NUC Shareholders.
- Less expected avoidable transaction costs. These are estimated by the Company as a variable amount payable to corporate advisors based upon the total capital raised.

Minority discount

155. The above adjustments result in a 'control' equity value inclusive of the control premium noted in paragraph 121. ASIC regulatory guidance suggests that the appropriate assessment Post Proposal should be done on a minority value basis. In this way it can be demonstrated if a control premium is being paid under the terms of the Proposal, i.e., if the Post Proposal minority value exceeds the Pre Proposal control value.

156. Taking the above into account, in our judgement we settled upon an estimated DLOC of 20%, being the inverse of a 25% control premium, higher than the 20% control premium applied in Section 8.1.

We calculate this additional minority discount (refer Section 11.2 Disadvantages) reduces the post proposal share price by ~ a half cent.

Post Proposal value per Company Share

157. We estimate the Post Proposal value is 11 cents to 16 cents per Share (rounded). The number of Shares is based upon Table 2 being:

- The Pre Proposal number of shares.
- The Shares issued to Wilson Equity Advisory.
- The issue of the Rights Issue to both H&S (with and without their take up of the Shortfall) and other existing shareholders on a pro-rata basis.
- The Share Issue to H&S as one of the vendors for the sale of bWellness to NUC.

11.0 EVALUATION

11.1. Quantitative (fairness) assessment

158. Below sets out the position of Company Shareholders Pre and Post Proposal. It also shows Rights Issue and Share Issue price under the Proposal:

Table 11 Fairness

| \$ whole per Share | | Low | Mid | High |
|----------------------------------------------------------|--------|-----------------|-----------------|-----------------|
| Evaluation summary | Ref | | | |
| Pre Proposal Share price - control | Tbl.8 | 0.118 | 0.146 | 0.173 |
| Post Proposal Share price - minority | Tbl.10 | 0.100 | 0.126 | 0.152 |
| Share price Higher / (Lower) Post Proposal | | -0.018 | -0.020 | -0.021 |
| Quantitative evaluation Pre vs Post | | Not Fair | Not Fair | Not Fair |
| Rights Issue & Share Issue price offered | s.2.1 | 0.156 | 0.156 | 0.156 |
| Fair value of Shares H&S receives | Tbl.8 | 0.118 | 0.146 | 0.173 |
| Price Higher / (Lower) securities issued fair value | | 0.038 | 0.010 | -0.017 |
| Quantitative evaluation offer price vs securities | | Fair | Fair | Not Fair |
| Overall Quantitative evaluation | | Not Fair | | |

159. We estimate that the Pre Proposal value is 12 cents to 17 cents per Share on a control basis (rounded). On a Post Proposal minority basis, we estimate the Share price is lower and ranges from 10 cents to 15 cents (rounded).
160. We also compared the Rights Issue price and Share Issue Price of 15.6 cents per Share to the Pre Proposal Share price of 12 cents to 17 cents on a control basis. The Rights Issue price and Share Issue Price of 15.6 cents is greater than the Pre Proposal Share price at the low and mid ranges but not at the high range.

Fairness opinion

161. The focus of this report is on the Share Issue and the interrelated impacts of the Acquisition and Rights issue. Therefore, our overall opinion emphasises the Pre and Post Proposal assessment following the acquisition of bWellness.
162. As the Post Proposal Share minority values are less than the Pre Proposal control value shown above, we conclude that the Proposal is **Not Fair** to Shareholders.

11.2. Qualitative (reasonableness) assessment

163. We summarise the merits of the Proposal and any alternatives to the Proposal:

Advantages of the Proposal

- bWellness is profitable with a normalised EBITDA for FY23 of \$2.0m being ~25% of NUC's loss for FY23 of -\$8.2m. Therefore it is likely to improve NUC's overall financial performance and mitigate expected ongoing losses.
- bWellness sells wellness products that are in a complimentary market to NUC's products.
- NUC is likely to receive surplus funds of \$2.3m (see paragraph 151) from the Rights Issue to be applied to operations.

**Disadvantages
of the
Proposal**

- The Proposal is not fair as it is likely no control premium is being paid.
- Ordinary shareholders will have their voting interests in the Company diluted.
- H&S will likely form a greater significant shareholder block which may further reduce liquidity in the Company's shares. However, it is possible H&S's greater shareholding may increase the minority discount for other shareholders which we have estimated in our fairness assessment as reducing NUC's Share price ~ a half cent.
- The Rights Issue price of 15.6 cents is greater than our view of the Pre Proposal fair value of NUC Shares (12 cents at the low and 15 cents mid ranges) which may be considered reasonable. The Rights Issue price is also equal to the recent traded price, (albeit we consider that price illiquid). Rationally, it would also be less likely for H&S to sell below its purchase price of 15.6 cents which may also benefit minority shareholders. However, without a discount, this may also discourage participation by all Shareholders, resulting in H&S taking up the Shortfall and increasing their interest in NUC further.
- If the Performance Options (see below) are converted to shares at the exercise prices of 25-36 cents, H&S could increase their interest further to ~ 53% Post Proposal.
- The expected avoidable transaction costs of ~\$0.5m.

**Other
considerations
including no
change in
circumstances**

- H&S interests continue to be aligned with the Company in increasing sales and value through the unchanged distribution arrangements.
- H&S retain Tranche 2 & 3 Performance Options under the existing distribution arrangements.

**Alternatives to
the Proposal**

- Directors confirm there are no other Proposals to fund the acquisition of bWellness that are capable of acceptance in the short term.

**Impact of the
Proposal if the
Proposal does
not proceed**

- Directors advise that the Company is continuing to incur monthly operating losses for at least the remainder of FY24 and into FY25. We calculate the H1FY24 monthly operating loss was \$0.6m which we do not expect to improve in the near term if the Proposal does not proceed. The Company has diminishing resources to fund those losses or continue to operate. On 31 December 2023, cash was \$5.6m, which is less than 10 months average operating losses.
- The Directors advise that if the Proposal does not proceed, then it is likely that the acquisition of bWellness will not proceed in its current form or if at all.
- The Directors may also explore other funding opportunities which are likely to be on less favourable terms than the current Proposal.

164. We are mostly persuaded by the advantage of the Proposal in providing funds and a profitable business such that NUC can continue to operate, and the poor consequences if those funds are not

received. Therefore, in our opinion the advantages of the Proposal outweigh the disadvantages, and the Proposal is **Reasonable** to Shareholders.

11.3. Summary of Opinion

165. On the balance of the above matters considered, we think that the Proposal is **Not Fair but Reasonable** to the Shareholders of Company.

APPENDIX 1 – SOURCES OF INFORMATION

- Draft Notice of Meeting as of 15 May 2024.
- NBIO between Nuchev and bWellness dated 23 Feb 2024.
- bWellness Information Pack.
- FY23 and H1FY24 Financial Report for Nuchev.
- Management accounts / Budget for FY24.
- Management FY25 Budget / forecast.
- Emails and discussion with Directors or management of Nuchev.
- Other sources listed throughout the Report.

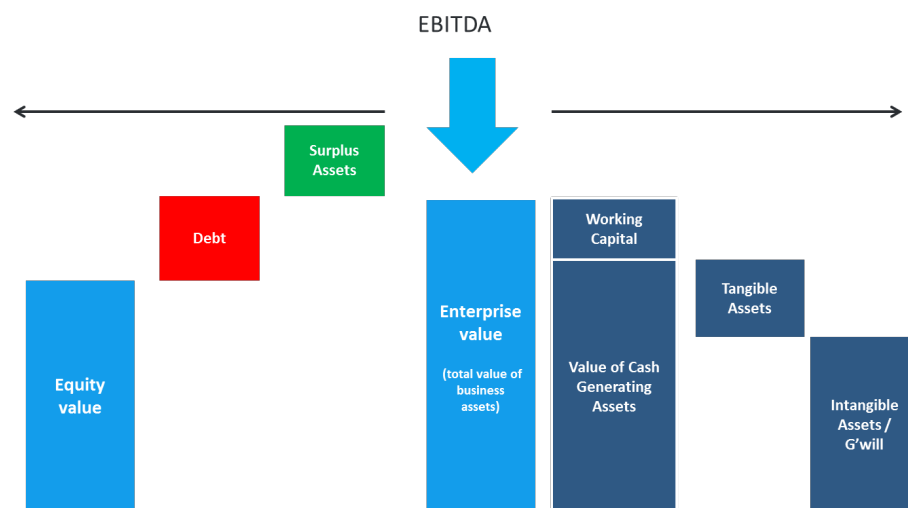
APPENDIX 2 – OVERVIEW OF VALUATION METHODOLOGIES AND PRINCIPLES

| Type | Method | Description | When method used |
|-------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Income Approaches | Discounted Cash Flow | <p>The Discounted Cash Flow (DCF) method derives the value of a business on a controlling basis based on the future cash flows of the business discounted back to a present value at an appropriate discount rate (cost of capital). The discount rate used will reflect the time value of money and the risks associated with the cash flows.</p> <p>The DCF Method requires:</p> <ul style="list-style-type: none"> • Forecasting cash flows over a sufficient long period (at least 5 years and usually 10 years) • Assessing an appropriate discount rate (typically derived using judgment and aids such as the Capital Asset Pricing Model (CAPM)). The cost of equity (Ke) can be built up from first principles or benchmarked against comparable companies ("Co-Co") or transactions ("Co-Tran"), and • Estimation of the terminal value (value of the business into perpetuity) at the end of the period (typically derived using the capitalisation of earnings method). | <p>Reasonably accurate forecast cash flows (minimum 5 years).</p> <p>Earnings or cash flows expected to fluctuate from year to year.</p> <p>Business is in start-up or turn around phase.</p> <p>Specific projects that have a finite or infinite life, for example, mining projects.</p> |
| | Capitalisation of Maintainable Earnings | <p>The Capitalisation of Maintainable Earnings (CME) method is the most used valuation method. It involves the application of a capitalisation multiple to an estimate of the Future Maintainable Earnings (FME) of the business. The FME must be maintainable by the business and must not include one-off gains or losses. The capitalisation multiple will reflect the risk, time value of money and future growth prospects of the business.</p> <p>The appropriate capitalisation multiple is determined with reference to the observed multiples of entities whose businesses are comparable ("Co-Co") to that of the business being considered and/or comparable transactions, ("Co-Tran").</p> | <p>The business has a history of profits with a reasonably consistent trend and that trend is expected to continue.</p> <p>The business has an indefinite life.</p> <p>Cash flow forecasts are not available.</p> |

| Type | Method | Description | When method used |
|-----------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Capitalisation of Dividends | This method involves the capitalisation of forecast future maintainable dividends. The maintainable level of dividends is estimated by assessing the expected level of future maintainable earnings and the dividend policy of the entity. The appropriate capitalisation rate reflects the investor's required rate of return. | Valuation is for a minority interest. Stable business. High payout ratios. |
| | Yield Based | This method is primarily used for property assets and involves capitalising forecast distributions by an estimated future maintainable yield. The yield or rate is determined based on analysis of comparable entities. | Commercial or investment properties including retail, industrial and commercial. |
| Market Approach | Market | <p>This method values a Group bases on the traded prices of its equity on a public market/exchange. The approach can adopt the prevailing spot rate of the entity's securities at valuation date or the Volume Weighted Average Price (VWAP over a set trading period i.e., the preceding 30, 60 or 90 trading days to the valuation date).</p> <p>In the absence of market data specific to the entity, the market approach can also be used by examining market values for comparable companies ("Co-Co") or comparable transactions ("Co-trans").</p> <p>Comparable transactions may be observed as being based upon a widely used industry practice such as a multiple of revenue instead of earnings.</p> | <p>Group's equity is listed on public market/exchange i.e., ASX.</p> <p>Securities in the entity are actively traded on the market/exchange.</p> <p>As above for comparable companies or transactions</p> |
| Asset Approach | Asset Based | <p>Asset based valuation involve separating the business into components that can be readily sold, such as individual business Shares or items of plant and equipment and ascribing a value of each component based on the amount that could be obtained if sold.</p> <p>The asset value can be determined based on:</p> <ul style="list-style-type: none"> • Orderly realisation • Liquidation • Going concern | <p>Asset rich entities</p> <p>For wind-up or realisation value</p> |

| Type | Method | Description | When method used |
|----------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Approach | Cost approach | The value of an asset determined by: <ul style="list-style-type: none"> • Reproduction cost less depreciation (in basic terms, the cost of replicating functionality). • Reproduction cost (in basic terms, the cost of recreating the asset). | The cost-based approach can be used to derive market value where market or income factors are difficult to obtain or estimate with reliability (for example, for some intangible assets). |

Valuation Principles



In adopting an income approach, a multiple of EBITDA or a DCF of cash flows is typically used to determine Total Enterprise Value (TEV), which represents the total value of the net business assets. Any excess over tangible and identified intangible assets (moving right in the diagram above) represents goodwill.

Moving left in the diagram, adjustments are made to TEV to add surplus assets (e.g., cash) and deduct debt so as to determine equity value. Surplus assets are any assets that are not required to generate the business's earnings or cash flows.

Further discounts may be applied to equity to determine a minority or illiquid value.

APPENDIX 3 – QUALIFICATIONS, INDEPENDENCE, DECLARATIONS AND CONSENTS

Statement of Qualifications, Independence, Declarations and Consents

Qualifications

Moore Australia (Vic) Pty Ltd (ABN 17 386 983 833) (**Moore**) is a Melbourne based accounting, audit and business advisory practice and is a licensed investment adviser within the terms of the Corporations Act 2001. Moore is an independent practice and a member of Moore International. Moore International is a national and international association of separate accountant and advisor entities represented in major capital cities of Australia and with 266 member firms operating in 112 countries worldwide.

The AFSL licence (No 247262) allows Moore to act for clients only in the capacity of providing reports in relation to certain corporate transactions or to provide general financial product advice on certain classes of financial products. Senior directors at Moore Stephens specialise in such advice and regularly perform corporate and asset valuations and advice on company restructures, acquisitions, and Proposals. Moore Stephens Audit (Vic) is affiliated with Moore Stephens and, acting through different directors, also performs audits on the accounts of Australian companies.

The primary persons responsible for preparing this Report on behalf of Moore are Mr Colin Prasad (B. Com ACA and BVS) (with the assistance of staff), who has a significant number of years of experience in relevant corporate matters including valuations, independent expert reports and investigating accountant engagements.

Independence

Moore considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC relating to independence of experts and has developed and issued an opinion and report on an unbiased basis.

We disclose that we have previously written an IER for NUC dated 10 May 2023.

Other than as disclosed above, Moore and its related entities or any of its Directors have not had within the previous two years, any Shareholding in the Company. During the 2 years period to this report Moore and its related entities have not provided any professional services to the Company or any related parties to the Company.

None of Moore, Mr Colin Prasad, nor any other member, director, partner or employee of any of Moore has any interest in the opinion reached by Moore except that we are entitled to receive professional fees for the completion of this Report based on time incurred at normal professional rates. Our fee for the preparation of this report is \$39,000. Except for these fees no parties will receive any other benefits, whether directly or indirectly, for or in connection with issuing this Report.

Disclaimers

This Report has been prepared at the request of the Directors of the Company and was not prepared for any other purpose than stated in this Report in Section 3. This Report has been prepared for the sole benefit of the Directors and the Shareholders of the Company. This Report should not be used or relied upon for any purpose other than as set out in Section 3. Accordingly, Moore expressly disclaims any liability to any person (other than the Directors or Shareholders of the Company) who relies on our Report, or to any person at all who seeks to rely on the Report for any other purpose not set out in Section 3.

Appendix 1 identifies the sources of information upon which this Report has been based. To the extent we have used historical information we are entitled to rely upon the information. Any forecast information which has been referred to in this Report has been prepared by the relevant entity and is generally based upon best estimate assumptions about events and management actions that may or may not occur. Accordingly, Moore cannot provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. Whilst (unless stated otherwise in the Report) Moore has no reason to believe that such information is not reliable and accurate, it has not caused such information to be independently verified or audited in any way. Inquiry, analysis and review have brought nothing to our attention to indicate a material misstatement, omission or lack of reasonable grounds upon which to base our opinion.

The opinions given by Moore in this Report are given in good faith, based upon our consideration and assessment of information provided to us by the Directors and executives of the parties to the Proposal; and in the belief on reasonable grounds that such statements and opinions are correct and not misleading, (unless otherwise stated in the Report). This Report has been prepared with care and diligence.

Advanced drafts of this Report were provided to the Directors of the Directors. Minor changes for factual content were made to this Report. There was no alteration to the methodology or conclusions reached because of discussions related to drafts of the Report.

Moore's opinion is based on prevailing conditions at the date of this Report including market, economic and other relevant circumstances. These can change over relatively short time period and any subsequent changes in these conditions in the value either positively or negatively.

Indemnity

The Directors has agreed that it will indemnify Moore and its employees and officers in respect to any or all losses, claims, damages and liabilities arising as a result of or in connection with the preparation of this Report, except where the claim has arisen as a result of wilful misconduct or negligence by Moore.

Consent

This Report has been prepared at the request of the Directors and may accompany materials to be given to Shareholders.

Moore consents to the issuing of this Report and the form and context to which it is to be included with the materials. Other than the Report, Moore has not been involved in the preparation of the documents or other aspects of the Proposal or the materials to which this Report may be attached. Accordingly, we take no responsibility for the content of those materials or the Proposal as a whole. Neither the whole nor any part of this Report nor any reference thereto may be included in any other document without prior written consent of Moore as to the form and context to which it appears.

APPENDIX 4 – MOORE AUSTRALIA (VIC) PTY LTD FINANCIAL SERVICES GUIDE

This Financial Services Guide forms part of the Independent Expert Report.

Moore Australia (Vic) Pty Ltd (ABN 17 386 983 833) (**Moore**) holds Australian Financial Services Licence no 247262 authorising it to provide general financial product advice in relation to various financial products such as securities, interests in managed investment schemes, and superannuation to wholesale and retail clients. Moore has been engaged by the Company to provide an Independent Experts Report (the **Report**) for inclusion with materials to be sent Shareholders.

The Corporations Act, 2001 requires Moore to provide this Financial Services Guide (**FSG**) in connection with its provision of this Report. Moore does not accept instructions from retail clients. Moore provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Moore does not provide any personal retail financial product advice to retail investors, nor does it provide market-related advice to retail investors.

Moore is only responsible for this Report and this FSG. Moore is not responsible for any material publicly released by the Directors in conjunction with this Report. Moore will not respond in any way that might involve any provision of financial product advice to any retail investor.

This Report contains only general financial product advice. It was prepared without considering your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of this Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

When providing reports in the form of this Report, Moore's client is the Company to which it provides the report. Moore receives its remuneration from the Directors. For this Report and other services, Moore will receive a fee based upon normal professional rates plus reimbursement of out-of-pocket expenses from the Directors. Directors or employees of Moore or other associated entities may receive partnership distributions, salary, or wages from Moore. Moore and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products.

Moore has professional indemnity insurance cover for reports of this nature under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of Section 912B of the Corporations Act 2001.

Moore has internal complaints-handling mechanisms. If you have concerns regarding this Report, please contact us in writing to Mr. Kevin Mullen, Moore Australia (Vic) Pty Ltd, Level 44, 600 Bourke Street, Melbourne, Vic, 3000. We will endeavor to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request

APPENDIX 5 – ARTICLE ON SHARE TURNOVER



WHEN IS SHARE TRADING LIQUID ENOUGH FOR IER VALUATION

By Colin Prasad

Independent Expert Reports (IERs), or "fair & reasonableness" reports require a valuation of the subject Company. When we write an IER we consider if we can use a listed company's share price as a valuation method. But there needs to be an "active and deep liquid market" for it to be a meaningful guide to value.

In deciding this we examine share turnover ratios. A share turnover ratio is the volume of a company's shares traded over a period, as a proportion of the number of total shares on issue. We look at this for a subject Company on both a share trading volume and weighted by value basis.

But what is usually considered a reasonable level of share volume turnover liquidity in a listed company?

For this example, we calculated the annual share turnover ratio of every ASX-listed stock in FY23. The market cap weighted average turnover of the whole market was 81%. This means that 81% of the total shares on issue was turned over in a single year.

We expected this to be less than 100% given that superannuation funds and other institutional investors tend to hold a significant portion of listed shares for the longer term. For example, FY23 stock turnover by large but popular stocks was:

- BHP 67%
- CBA 53%
- CSL 55%
- WES 55%
- TLS 67%

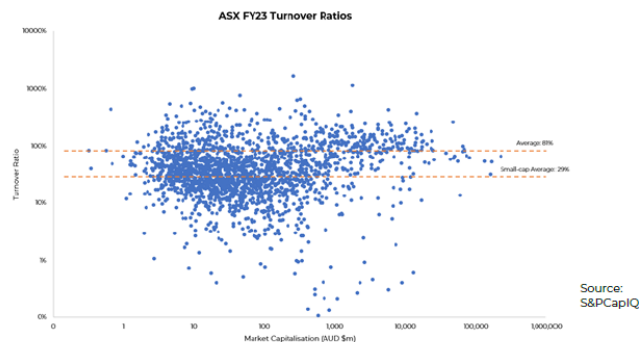
Companies with very high (> 100% turnover) tend to be funds (e.g. "BetaShares") and resources companies with (presently) exposure to critical metals or batteries (e.g. ASX:PMT Patriot Battery Metals).

Companies with less than 20% share volume turnover consisted of a mix of resources companies and industrials of varying market capitalisation. They shared no obvious characteristics, other than perhaps being closely held or unattractive. Macquarie Technology Group (ASX:MAQ) had just 18.2% turnover with a market cap of \$1.6 billion and is an example of a closely held company.

We also calculated the same for small-cap shares with <\$100m market capitalisation. The share volume turnover ratio dropped significantly to just 29% for FY23 for these companies.

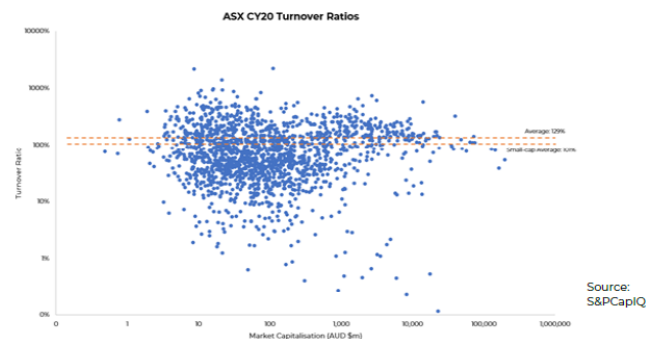
FY23 Chart – Share turnover % vs Market capitalisation.

Note a Log scale is used due to the breadth of data.



Interestingly, we calculated the same for the 2020 calendar year, which experienced heightened economic (COVID-19) instability. The annual share turnover was much higher, both for all ASX-listed companies at 129%, and for small-cap stocks at 101%. This demonstrates how much large scale market selloffs and rallies can skew the apparent turnover of shares.

CY2020 Chart – Share turnover % vs Market capitalisation (log scale).



At Moore Australia, we tend to write IER's on companies with smaller market capitalisations. I view CY2020 data of 101% as abnormal and FY23 data of 29% as more usual.

Therefore, on balance, I think that share trading turnover volumes below 15% would indicate some concern on the reliability of using the share price as a guide to value.

Of course, there are other factors to consider when determining whether a stock is liquid, including:

- Buy/sell spreads (market depth).
- Ownership and the level of free float,
- Size or pattern of trades in the period. For example if trading activity was isolated to a few big trades or was spread throughout the year.

Whilst a share with a trading turnover volume of below 15% means that we probably can not use the share price as a guide to value, we still should not ignore it outright. It just means that we would likely adopt another valuation approach as our primary approach, (e.g. an income or asset based method). If that approach was significantly different from the implied market capitalisation, it may cause us to consider whether our primary approach is plausible, or if there are other reasons for the difference.

Therefore, our expertise and judgement as the valuer is required for the circumstances. There may not always be a firm answer on where the 'cut-off' on share turnover liquidity sits.

If you would like to discuss this further, Moore Australia has valuation experts across the network. Please contact us today to find out more.



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The information provided in this document is for general advice only and does not represent, nor intend to be advice. We recommend that prior to taking any action or making any decision, that you consult with an advisor to ensure that individual circumstances are taken into account.

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APPENDIX 6 – NUC COMPARABLE COMPANY DATA

Publicly listed companies – Source: S&PCAPIQ and MAV analysis

| | | | Market Cap / EV / Revenue | | TEV | Revenue | EBITDA | Revenue Growth rate | | Business Description |
|-----------------------------------------------------|----------|-------------|---------------------------|-------------|----------------|----------------|--------------|---------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (A\$ in millions) | | | V/Revenue as | | TEV as at | LTM | LTM | 3-Yr CAGR | FY | |
| Company | Ticker | Location | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | |
| Australia & NZ Stock Exchange | | | | | | | | | | |
| Beston Global Food Company Limited | ASX:BFC | Australia | | | | | | | | Beston Global Food Company Limited, together with its subsidiaries, engages in the manufacture and sale of food and beverage products in Asia, Europe, North America, and Australia. |
| | | | 12.0 | 0.45x | \$75 | \$166.2 | (\$15.1) | 16.6 | 16.2 | |
| Bubs Australia Limited | ASX:BUB | Australia | | | | | | | | Bubs Australia Limited, together with its subsidiaries, engages in the production and sale of various infant nutrition products in Australia, China, and internationally. |
| | | | 142.7 | 1.86x | \$127 | \$68.0 | (\$50.8) | 14.1 | -21.9 | |
| Fonterra Co-operative Group Limited | NZSE:FCG | New Zealand | | | | | | | | Fonterra Co-operative Group Limited, together with its subsidiaries, collects, manufactures, and sells milk and milk-derived products. |
| | | | 3,825.1 | 0.35x | \$7,550 | \$21,722.7 | \$2,276.4 | 5.6 | -3.4 | |
| Halo Food Co. Limited | ASX:HLF | Australia | | | | | | | | Halo Food Co. Limited, together with its subsidiaries, manufactures dairy, and health and wellness products in Australia and New Zealand. |
| | | | 2.8 | 0.34x | \$28 | \$82.1 | (\$9.7) | 53.9 | 37.0 | |
| Noumi Limited | ASX:NOU | Australia | | | | | | | | noumi Limited engages in sourcing, manufacture, selling, marketing, and distribution of plant-based beverages, and dairy and nutritional ingredient products to wholesale and consumer markets. |
| | | | 33.3 | 0.96x | \$547 | \$568.4 | \$4.3 | 1.2 | 5.9 | |
| Synlait Milk Limited | NZSE:SML | New Zealand | | | | | | | | Synlait Milk Limited, together with its subsidiaries, manufactures and sells dairy products in China, rest of Asia, the Middle East, Africa, New Zealand, Australia, and internationally. |
| | | | 148.6 | 0.48x | \$586 | \$1,219.8 | \$50.4 | 0.5 | -5.5 | |
| TasFoods Limited | ASX:TFL | Australia | | | | | | | | TasFoods Limited processes, manufactures, and sells Tasmanian-made food products in Australia and internationally. |
| | | | 9.6 | 0.26x | \$13 | \$47.8 | (\$3.9) | -10.8 | 14.0 | |
| The a2 Milk Company Limited | NZSE:ATM | New Zealand | | | | | | | | The a2 Milk Company Limited, together with its subsidiaries, sells A2 protein type branded milk and related products in Australia, New Zealand, China, other Asian countries, and the United States. |
| | | | 4,771.4 | 2.57x | \$3,821 | \$1,505.1 | \$203.8 | 0.4 | 3.4 | |
| Median - Australia & NZ | | | 88.0 | 0.5x | \$337 | \$367 | \$0 | 3.4 | 4.6 | |
| Average - Australia & NZ | | | 1118.2 | 0.9x | \$1,593 | \$3,173 | \$307 | 10.2 | 5.7 | |
| Control Premium | | | 20% | | | | | | | |
| Specific Risk Discount | | | -20% | | | | | | | |
| Discounted AvG. inclusive of control premium | | | | | 0.9x | | | | | |

Deal comparisons – Source: Merger Market & MAV analysis

| Announced Date | Target Company | Target Country/Territory | Deal Value AUD(m) | Enterprise Value (m) | Reported Revenue Multiple | Reported Revenue (m) | Reported EBITDA (m) | Target Description |
|------------------------------------------------------------|--------------------------------------------------------|--------------------------|----------------------|----------------------|---------------------------|----------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 06/06/23 | Pure Nutrition Ltd (60% Stake) | New Zealand | 23.15 | 38.59 | 25.42x | 1.48 | - | Pure Nutrition is principally engaged in developing and producing formulated powders. |
| 28/08/23 | Betta Milk Co-Operative Society Ltd (100% Stake); M | Australia; Aus | 11.00 | 11.00 | NA | - | - | Manufacturer of fresh milk, cream and dairy products. |
| 03/10/22 | Canary Enterprises Ltd (100% Stake) | New Zealand | 16.51 | 16.51 | NA | - | - | Producer and supplier of dairy products intended to serve retail and food service sectors, including supermarkets, airlines, restaurants and bakery outlets. |
| 05/07/22 | Bubs Australia Ltd (1.3% Stake) | Australia | 6.11 | 469.74 | 5.26x | 89.30 | - 7.90 | Manufacturer of organic baby food and goat dairy products. |
| 13/03/22 | Jaina Dairy Foods Pty Ltd (100% Stake) | Australia | 200.00 | 200.00 | NA | - | - | Australia-based manufacturer of yoghurt. |
| 30/01/22 | Cranky Health Pty Ltd | Australia | 400.00 | | NA | - | - | Manufacturer of dietary food and drinks. |
| 15/06/21 | Metro Food Co. Pty. Ltd. | Australia | 15.50 | 15.50 | NA | - | - | Australia-based manufacturer of health food products |
| 08/06/21 | Rivalea Australia Pty Ltd; Oxdale Dairy Enterprise Pty | Australia; Aus | 175.00 | 175.00 | 0.44x | 400.00 | 37.00 | Australia-based agri-food company engaged in livestock farming, processing, and distribution businesses; Australia-based agri-food and dairy company ; Australia-based company engaged in the animal husbandry sector |
| 12/05/21 | Five:am Life PTY LTD | Australia | 12.00 | 12.00 | NA | - | - | Australia-based company, food brand, manufacturing organic yoghurt products |
| 24/12/20 | Mataura Valley Milk Limited (75% Stake) | New Zealand | 250.30 | 358.90 | NA | - | - | New Zealand-based company that produces and distributes milk powder products |
| 17/12/20 | Freedom Foods Group Limited (Cereal and snacks op | Australia | 20.00 | 20.00 | 0.29x | 69.91 | - 34.27 | Australia-based cereal and snacks operations of Freedom Foods Group Limited |
| 26/11/20 | Bega Dairy & Drinks Pty Ltd | Australia | 534.00 | 534.00 | 0.18x | 3,000.00 | - | Dairy manufacturer focused on the production of milk, cheese, yoghurt, juice and soy. |
| 14/11/19 | Blend and Pack Pty Ltd (75% Stake) | Australia | 80.99 | - | NA | 20.00 | 3.00 | Australia-based manufacturer of infant formula powder and adult nutritional formula products |
| 16/09/19 | Bellamy's Australia Limited (97.1% Stake) | Australia | 1,346.80 | 1,389.84 | 5.22x | 266.24 | 34.93 | Australia-based ASX-listed company that manufactures organic food and formula products for babies and toddlers |
| 17/06/19 | Omniblend Pty Ltd. | Australia | 32.64 | 32.64 | 1.02x | 32.10 | 1.40 | Australia-based company engaged in developing health and wellness powdered and UHT dairy based drinks |
| 13/05/19 | Betta Milk Co-Operative Society Ltd | Australia | 11.50 | 11.50 | 0.58x | 19.78 | 1.41 | Manufacturer of fresh milk. |
| 03/08/18 | Synlait Milk Limited (8.28% Stake) | New Zealand | 148.20 | 1,894.93 | 2.34x | 806.64 | 127.23 | New Zealand-based ASX-listed company engaged in the production and sale of milk ingredient products, infant formulas, and nutritional products |
| 17/07/18 | Saputo Inc. (Koroit dairy processing facility) | Australia | 250.00 | 250.00 | 0.99x | 238.65 | - | Australia-based dairy processing facility of Saputo Inc. |
| 02/02/18 | Birch and Waite Foods Pty Ltd. | Australia | 63.00 | 63.00 | 1.57x | 40.26 | 4.70 | Australia-based company engaged in manufacturing natural cheese, processed cheese, cheese foods, cheese spreads, and cheese analogs |
| 27/10/17 | Murray Goulburn Co-operative Co Limited | Australia | 1,310.00 | 1,310.00 | 0.53x | 2,491.05 | - 336.34 | Australia-based company engaged in the production, processing, and supply of dairy products |
| 23/05/17 | ADP Holdings (Australia) Pty Ltd | Australia | 23.74 | 23.74 | 1.46x | 16.23 | 1.84 | Australia-based holding company engaged in the manufacturing, packaging and sale of dairy and milk powder products |
| 19/12/14 | Longwarry Food Park Pty Ltd | Australia | 67.96 | 67.96 | 0.75x | 92.69 | - | Milk powder manufacturing company |
| Average | | | 227.2 | 328.3 | 3.29x | 421.4 | -9.3 | |
| Average - Outlier (> 20x Rev) Removed | | | | | 1.59x | | | |
| Median | | | 65.5 | 63.0 | 1.01x | 55.1 | 0.0 | |
| Control Premium | | | Already a control tx | | | | | |
| Specific Risk Discount | | | -20% | | | | | |
| Discounted Average | | | | | 2.63x | | | |
| Discounted Average - Outlier (> 20x Rev) Removed | | | | | 1.27x | | | |
| Discounted Median | | | | | 0.80x | | | |

APPENDIX 7 – BWELLNESS COMPARABLE COMPANY DATA

Publicly listed companies – Source: S&PCAPIQ and MAV analysis

| (A\$ in millions) Company | Ticker | Location | Market Cap | | TEV / EBITDA | TEV | Revenue | EBITDA | Revenue Growth rate % | | Business Description |
|------------------------------------------------------------|-----------------|---------------|------------|-----------|--------------|-----------|-----------|-----------|-----------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | 31-Mar-24 | 31-Mar-24 | //EBITDA as | TEV as at | LTM | LTM | 3-Yr CAGR | FY | |
| | | | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | 31-Mar-24 | |
| Biome Australia Limited | ASX:BIO | Australia | 81.6 | NM | \$83 | \$9.9 | (\$3.3) | 0.0 | 73.1 | | Biome Australia Limited develops, commercializes, and markets various live biotherapeutics and complementary medicines in Australia and internationally. |
| McPherson's Limited | ASX:MCP | Australia | 76.3 | 8.16x | \$93 | \$201.7 | \$7.5 | -2.6 | -7.2 | | McPherson's Limited provides health, wellness, and beauty products in Australia, New Zealand, Asia, and internationally. |
| BWX Limited | ASX:BWV | Australia | 40.0 | NM | \$197 | \$180.4 | (\$45.0) | 2.9 | -8.1 | | BWX Limited, together with its subsidiaries, develops, manufactures, markets, distributes, and sells natural body, hair, and skin care products in Australia, the United States, and internationally. |
| Bioxyme Limited | ASX:BXN | Australia | 17.1 | NM | \$21 | \$7.7 | (\$1.5) | 52.9 | 393.5 | | Bioxyme Limited, a life sciences and consumer health products company, manufactures and distributes consumer health products, patented probiotics, health supplements, therapeutic goods, and alternative medicines in the United Kingdom, Japan, Europe, and Australia. |
| Star Combo Pharma Limited | ASX:S66 | Australia | 15.5 | 5.32x | \$11 | \$25.5 | \$1.8 | -7.9 | 11.7 | | Star Combo Pharma Limited engages in the manufacturing and distribution of health food products and nutritional supplements in Australia and China. |
| Elxinol Wellness Limited | ASX:EXL | Australia | 8.9 | NM | \$7 | \$8.3 | (\$5.9) | -18.0 | 17.2 | | Elxinol Wellness Limited, through its subsidiaries, engages in the manufacture and distribution of hemp derived nutraceuticals, skincare, and food products in the Americas, Europe, and Australia. |
| Integrated BioPharma, Inc. | OTCPK:INBP | United States | 6.9 | 9.87x | \$13 | \$74.1 | (\$0.1) | -3.7 | -5.5 | | Integrated BioPharma, Inc., together with its subsidiaries, manufactures, distributes, markets, and sells vitamins, nutritional supplements, and herbal products primarily in the United States and Luxembourg. |
| CV Sciences, Inc. | OTCPK:CVSI | United States | 6.6 | 1.58x | \$9 | \$23.5 | \$5.3 | -13.1 | -1.2 | | CV Sciences, Inc. develops, manufactures, markets, and sells herbal supplements and hemp-based cannabidiol (CBD) in North America. |
| EVE Health Group Limited | ASX:EVE | Australia | 5.3 | NM | \$6 | \$2.3 | (\$1.9) | -12.4 | 15.2 | | Eve Health Group Limited, together with its subsidiaries, engages in the production and distribution of nutrition, health, and wellness products in Australia, New Zealand, the Asia Pacific, and North America. |
| Skin Elements Limited | ASX:SKN | Australia | 2.3 | NM | \$2 | \$0.2 | (\$2.2) | -28.0 | -86.8 | | Skin Elements Limited, a natural skin care company, develops, manufactures, distributes, and retails natural, organic, health, and wellness products in Australia. |
| Best World International Limited | SGX:CGN | Singapore | 955.6 | 1.82x | \$370 | \$571.8 | \$190.3 | -2.1 | -7.7 | | Best World International Limited develops, manufactures, distributes, imports, and wholesales skincare, personal care, nutritional supplement products, healthcare equipment, and wellness products. |
| Nature's Sunshine Products, Inc. | NasdaqCM:NA TR | United States | 376.0 | 7.75x | \$504 | \$653.3 | \$53.2 | 5.0 | 5.5 | | Nature's Sunshine Products, Inc., a natural health and wellness company, manufactures and sells nutritional and personal care products in Asia, Europe, North America, Latin America, and internationally. |
| FitLife Brands, Inc. | NasdaqCM:FTL F | United States | 118.4 | 11.71x | \$174 | \$77.3 | \$14.1 | 33.6 | 83.0 | | FitLife Brands, Inc. provides nutritional supplements for health-conscious consumers in the United States and internationally. |
| LifeVantage Corporation | NasdaqCM:L F VN | United States | 79.0 | 7.28x | \$114 | \$309.5 | \$11.4 | -2.7 | 2.2 | | LifeVantage Corporation engages in the identification, research, development, formulation, and sale of advanced nutrigenomic activators, dietary supplements, nootropics, pre- and probiotics, weight management, skin and hair care, bath and body, and targeted relief products. |
| Mannatech, Incorporated | NasdaqGS:MT EX | United States | 16.6 | 4.86x | \$21 | \$193.6 | \$1.0 | -4.5 | -3.8 | | Mannatech, Incorporated operates as a health and wellness company in the Americas, Europe, the Middle East, Africa, and the Asia-Pacific. |
| Median | | | 17.1 | 7.3x | \$21 | \$74 | \$1 | -2.7 | 2.2 | | |
| Average | | | 120.4 | 6.5x | \$108 | \$156 | \$15 | -0.1 | 32.1 | | |
| Average (Excluding Min & Max) | | | 65.2 | 6.4x | \$86 | \$130 | \$6 | -2.0 | 13.4 | | |
| Control Premium | | 20% | | | | | | | | | |
| Specific Risk Discount | | -50% | | | | | | | | | |
| Discounted Avg (ex.Min & Max) inclusive of control premium | | | | 3.9x | | | | | | | |

Deal comparisons – Source: Merger Market & MAV analysis

| Announced Date | Target Company | Target Country/Territory | Deal Value AUD(m) | Enterprise Value (m) | Reported EBITDA Multiple | Reported Revenue (m) | Reported EBITDA (m) | Target Description |
|------------------------------------------------------------|------------------------------------------------------|--------------------------|-------------------|----------------------|--------------------------|----------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22/02/24 | Convita Limited (100% Stake) | New Zealand | 220.54 | 220.54 | 17.06x | 209.31 | 12.46 | New Zealand-based company making healthcare products from natural resources |
| 22/12/23 | Probiotec Limited (100% Stake) | Australia | 252.00 | 252.00 | 7.45x | 214.03 | 33.81 | Australia-based ASX-listed company headquartered in Melbourne, VIC, is engaged in the development, manufacture and sale of pharmaceuticals, foods and nutraceutical products |
| 15/11/23 | XF Australia Pty Ltd (100% Stake) | Australia | 35.00 | 35.00 | 4.61x | | 7.60 | XF Australia Pty Ltd, the Australian provider of feed supplement products and nutritional consulting services. |
| 27/04/23 | Blackmores Ltd (100% Stake) | Australia | 1,880.00 | 1,826.84 | 22.79x | 645.00 | 80.15 | Manufacturer of vitamins, herbal and mineral nutritional supplements. |
| 15/03/23 | Vita Group Ltd (100% Stake) | Australia | 22.30 | 17.79 | 8.72x | 26.18 | 2.04 | Operator of retail ICT stores and skin health and wellness clinics. |
| 02/12/21 | Australian Pharmaceutical Industries Limited (100% S | Australia | 1,147.82 | 1,147.82 | 9.88x | 4,004.86 | 116.18 | Australia-based ASX-listed pharmaceutical distributors including health and beauty products retailers |
| 25/03/21 | McPherson's Limited | Australia | 182.33 | 182.33 | 9.30x | 222.19 | 19.61 | Australian-based ASX-listed company engaged in distribution of personal care, non-electrical house wares and household consumable products |
| 14/11/19 | Blend and Pack Pty Ltd (75% Stake) | Australia | 80.99 | - | NA | 20.00 | 3.00 | Australia-based manufacturer of infant formula powder and adult nutritional formula products |
| 17/06/19 | Omniblend Pty Ltd. | Australia | 32.64 | 32.64 | 23.31x | 32.10 | 1.40 | Australia-based company engaged in developing health and wellness powdered and UHT dairy based drinks |
| 06/05/16 | Global Therapeutics Pty Ltd | Australia | 23.00 | 23.00 | 7.67x | 20.00 | 3.00 | Australia-based provider of retail Chinese herbal medicine formulations |
| 17/09/15 | Swisse Wellness Pty Ltd (83% Stake) | Australia | 1,386.00 | 1,669.88 | 14.83x | 313.06 | 112.64 | Australia-based company engaged in the research, marketing and distribution of vitamins and health supplements |
| Average | | | 478.4 | 491.6 | 12.56x | 570.7 | 35.6 | |
| Average - Outlier (> 20x Rev) Removed | | | | | 9.94x | | | |
| Median | | | 182.3 | 182.3 | 9.59x | 211.7 | 12.5 | |
| Control Premium | | | 0 | | | | | |
| Specific Risk Discount | | | -50% | | | | | |
| Discounted Average | | | | | 6.28x | | | |
| Discounted Average - Outlier (> 20x Rev) Removed | | | | | 4.97x | | | |
| Discounted Median | | | | | 4.79x | | | |

Note: In 2018 Life-Space probiotics (associated with Mr. Craig Silbery, now a director of Nucheve) sold to By-Health in 2018 for \$690m, but no details are publicly available that give a guide to value metrics.

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Nucbev Limited | ABN 54 163 225 090

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

NUC

Holder Number:

Your proxy voting instruction must be received by **10.00am (AEST) on Monday, 17 June 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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