

— What makes us who we are?



Low
Sugar



More
Electrolytes



Hydration
Acceleration
Formula



Doctor
Approved
Rehydration

Hydralyte™



Our purpose

To make better hydration solutions and make a difference doing it

Our ambition

To own hydration in the family home

CEO, Board, Advisory

DISCIPLINED GOVERNANCE AND KNOWLEDGE IN GROWING CONSUMER PRODUCTS COMPANIES



Oliver Baker

CEO

Former General Manager of Swisse Wellness USA and China. Sold \$1.7BI



George Livery

Chairman

BOD Australia (BOD.ASX) Non-Exec Director. Swisse Wellness Director of Strategy & Corporate.



Adem Karafili

Director

Formerly Managing Director and Chief Operating Officer of Swisse Wellness



Gretta Van Riel

Director

Forbes 30 under 30 E-comm royalty. \$1m E-comm sales in a day. Founder Drop Bottle, Fifth Watches, Skinny Me Tea



Margaret Hardin

Director

Former CFO and CEO of Baby super brands, Ergo Baby and Munchkin



Vanessa Dew

Advisor

Founder of Health-Aid Kombucha, top 3 national brand



Brandon Fishman

Advisor

Founder and CEO of VitaCup. Raised over \$25m to drive E-comm business.

#1 Shareholder

Dan O'Brian

Founder of Hydralyte

#2 Shareholder

Radek Sali

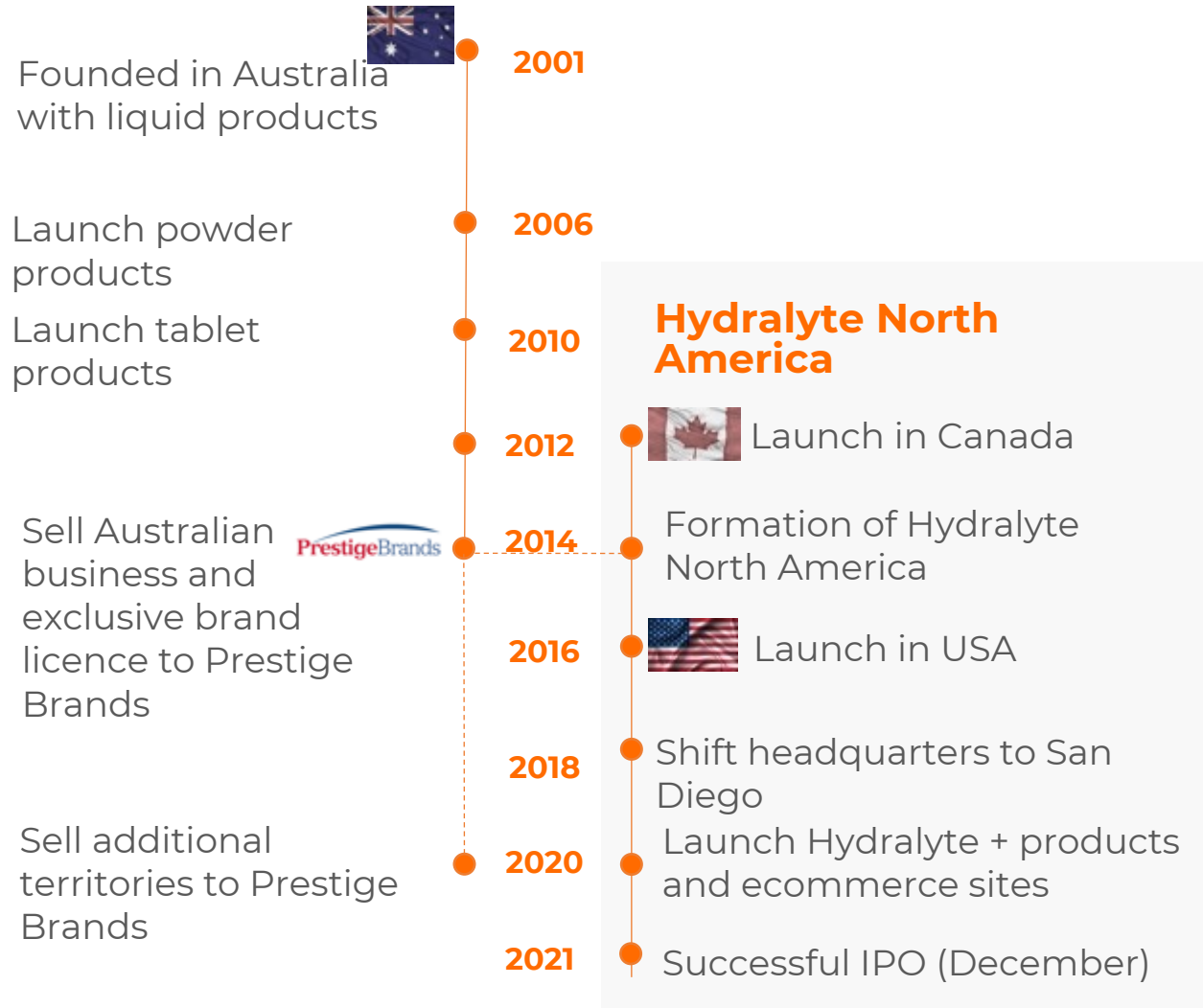
Former Swisse Wellness CEO



HYDRALYTE GLOBAL TERRITORIES



A North American focused company with Australian heritage



Hydralyte North America's Core Investment Thesis



Established business

- Record of Gross Margin improvement*
- Strong sales growth*
- Product innovation has driven success
- Scalable manufacturing
- Team on board
- Strategy in place

E-comm focus

- Aligning with consumer macro trends
- Higher margin
- Ability to test and learn, fail fast and double down
- Zero in on customer acquisition and retention

Canada strength

- #2 position in pharmacy with national distribution, 28% Share**
- Omni channel position making online growth cheaper
- Regulated market keeps competition out
- Reduces risk for USA worst case



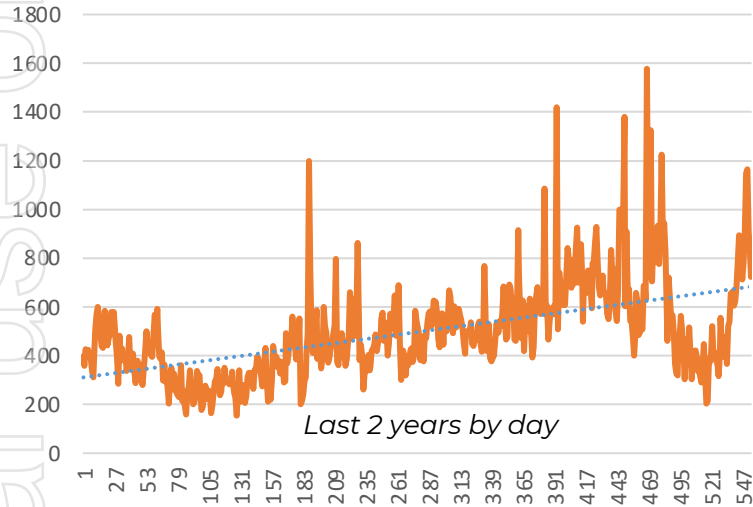
*https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02513351-3A592213?access_token=83ff96335c2d45a0094df02a206a39ff44

**Nielsen 52 weeks of retail sales across Grocery and Pharmacy including a basket of Sports, Baby and Digestive based brands.

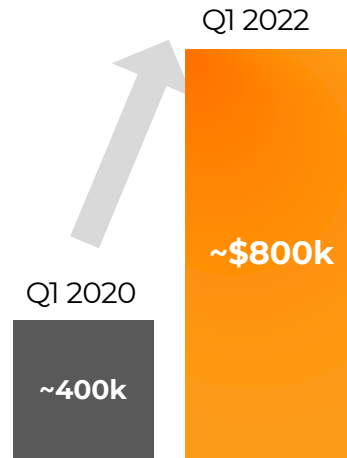
Company Highlights

Amazon

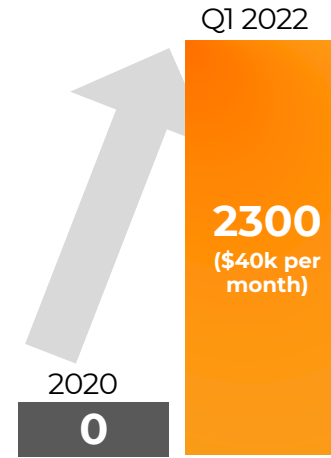
AMAZON STORE SESSIONS BY DAY
through Dec 2021



Amazon Quarterly Sales

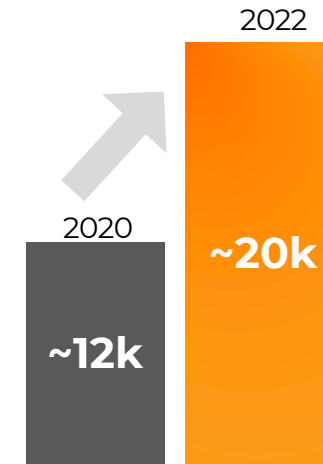


Amazon Subscriptions



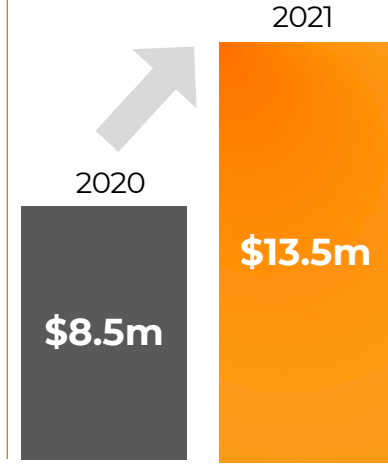
Stores

North American Door Count



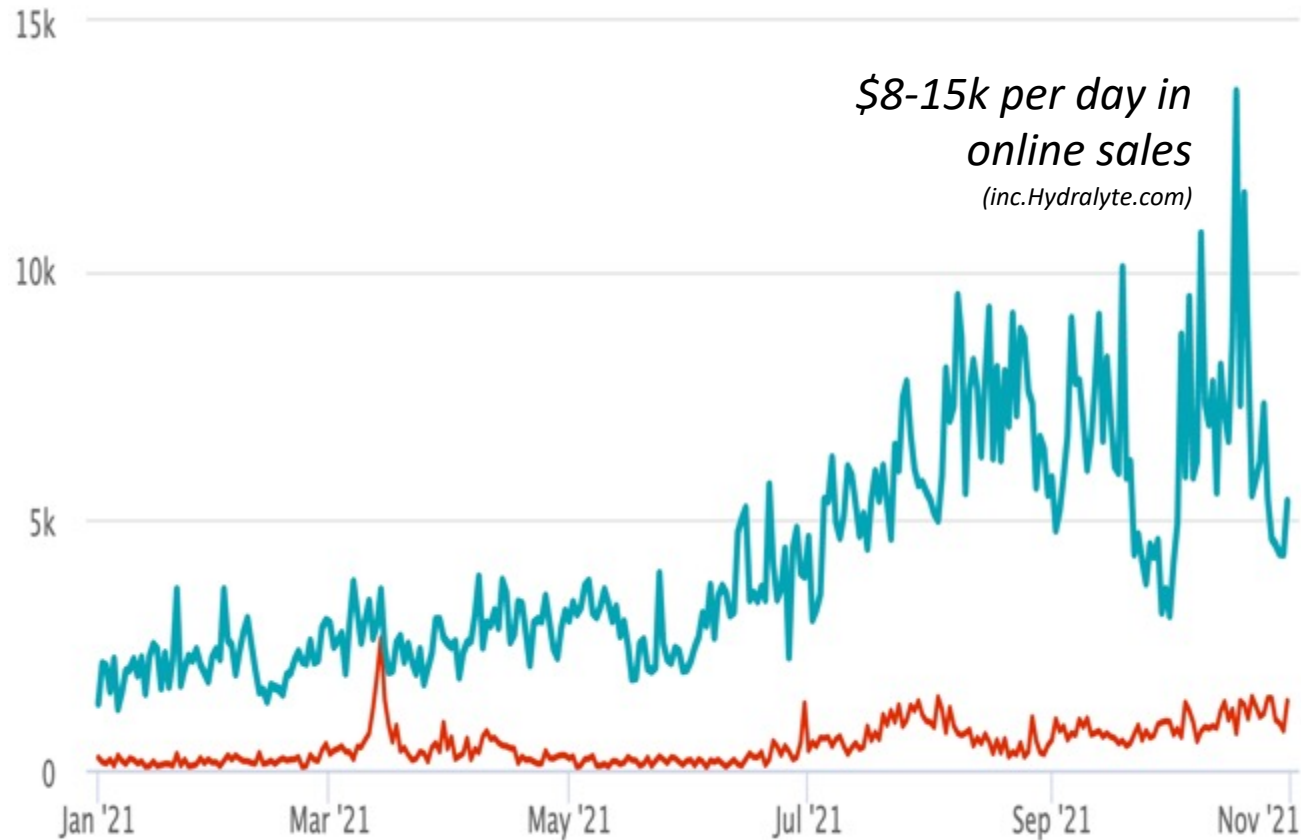
Business

Retail Sales



Hydralyte N.A. has grown significantly over the past 2 years – driven by online

Hydralyte sales by Day – Amazon 2021 vs 2020



From

Clinical Brand
Medical first strategy

To

Lifestyle Brand
Consumer strategy
Wellness Focus

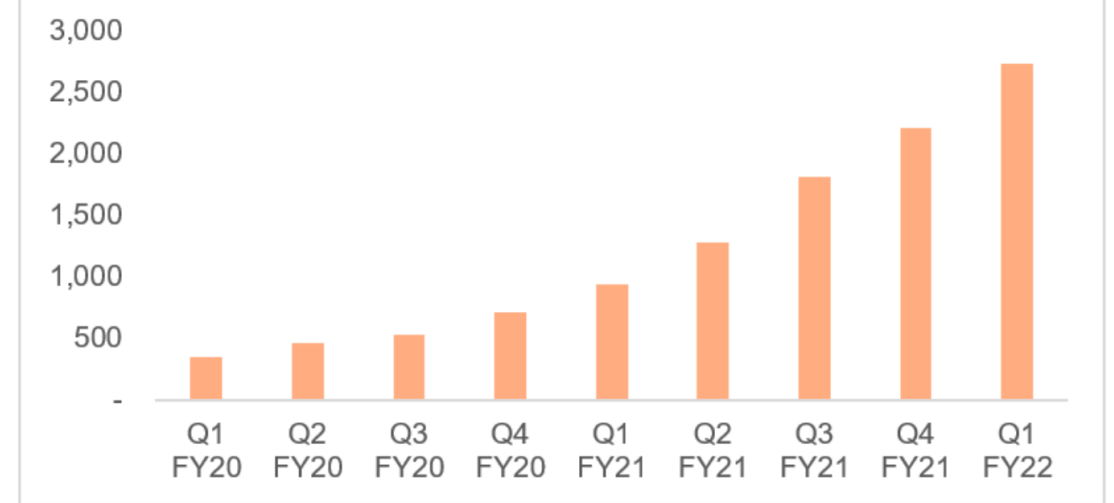


Q1 2022 Wrap Up

Quarterly net revenue - Q4FY19 to Q1FY22



LTM trailing e-commerce sales



	Q1'21	Q4'21	Q1 FY'22	QoQ Change	YoY Change
Total Unaudited Net Revenue	866	1,746	1,897	9%	119%
<i>E-commerce revenue</i>	397	727	919	26%	131%
<i>Traditional retail revenue</i>	468	1,019	978	(4%)	109%
Gross Margins	47%	43%	50%	16%	4%
EBITDA*	(919)	(1,848)	(1,924)	(4%)	(109%)

*EBITDA as calculated does not include ESOP expense of \$1.47M in Q4 upon IPO

- Significant improvement in gross margin
- E-comm run rate around 45% of sales

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02513351-3A592213?access_token=83ff96335c2d45a094df02a206a39ff4

2021 Results

Consolidated Statement of Comprehensive Income	2021	2020	Variance
Revenue	6,127,178	3,756,695	2,370,483
Cost of sales	(3,337,579)	(2,421,230)	(916,349)
Gross profit	2,789,599	1,335,465	1,454,134
Other income	93	2,815,135	(2,815,042)
Sales and marketing expenses	(5,060,470)	(1,743,537)	(3,316,933)
Administrative expenses	(1,546,234)	(1,233,031)	(313,203)
Salaries & wages	(3,012,662)	(1,635,203)	(1,377,459)
Depreciation and amort. Expense	(3,337)	(23,488)	20,151
Transaction costs associated with IPO	(663,275)	-	(663,275)
FX Gain / (Loss)	1,410,662	(246,685)	1,657,347
Finance expenses	(2,866,037)	(12,319)	(2,853,718)
Profit before tax	(8,951,661)	(743,663)	(8,207,998)
Income tax expense			
(Profit) / Loss for the year	(8,951,661)	(743,663)	(8,207,998)
Other comprehensive income	(1,241,976)	285,610	(1,527,586)
Total comprehensive (income) / loss for the year	(10,193,637)	(458,053)	(9,735,584)

-YoY revenue up 63%

-Other income in 2020 is from sale of additional territories

-Only portion of IPO costs hitting P&L per accounting standards. Majority of IPO costs hit equity.

-Finance expenses are \$1.9m from convertible notes conversion, costs of convertible notes raise, and interest on convertible notes.

One-off or non-cash items

The Company was impacted materially by non-recurring costs associated with capital raising activities. Following the removal of non-cash and one-off costs associated with the IPO, Hydralyte North America calculates an underlying EBITDA loss for FY2021 of US\$4.0 million. The Company's successful IPO listing followed the issuance of Pre-IPO convertible notes in March 2021. Additional listing expenses also impacted the Company FY2021 profit and loss statement.

The following table outlines the reconciliation of statutory loss for the year FY2021 to the underlying loss for the year of \$4.0 million.

Loss for the year	(\$8.9m)	
One-off or non-cash costs:		
Loss on conversion of convertible notes	\$1.9m	non-cash
Share based payments triggered on IPO	\$1.3m	non-cash
Interest expense on convertible notes	\$0.7m	non-cash
IPO broker options expense	\$0.1m	non-cash
Costs of pre-IPO raise	\$0.3m	
Portion of IPO related expense hitting the P&L	\$0.6m	
Total one-off or non-cash items	\$4.9m	
Underlying EBITDA for the year	(\$4.0m)	

Hydralyte is seasonal with Q3 (summer) the strongest sales period

2021 vs 2022 Net Sales By Month (USD)

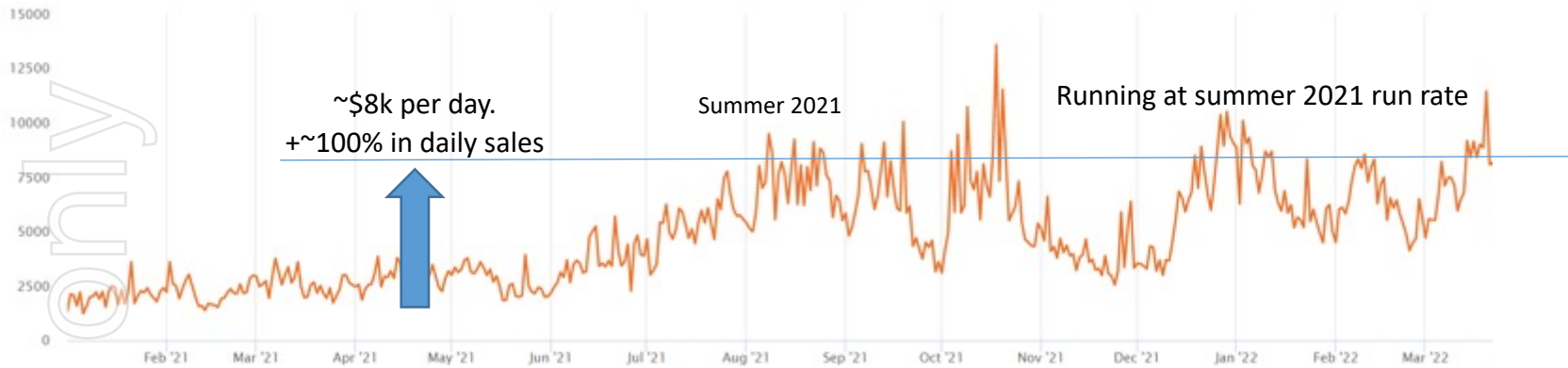


Net sales are Gross sales less ~25%

- Q1 22 revenue up 119% quarter on the previous corresponding quarter
- Gross margin improvement from 43% to 50% quarter on quarter (Q4 2021)
- Hydralyte summer season represents peak consumption
- Canadian retailers are taking on more stock in anticipation of peak sales period

USA Amazon

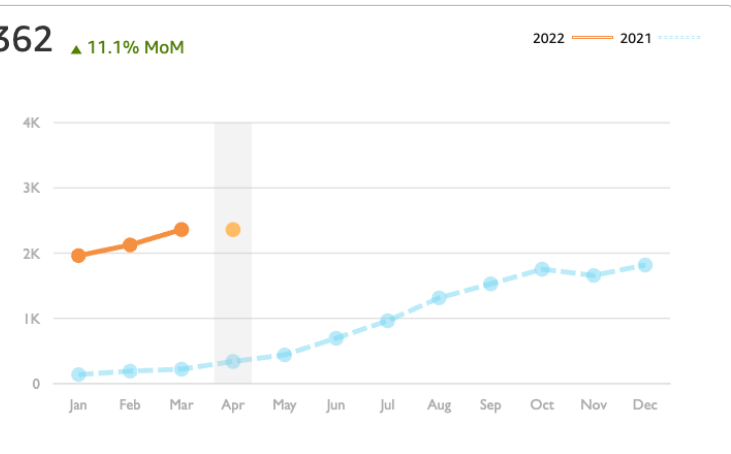
Amazon USA Sales by Day, 2021 through to today



- Amazon daily sales tracking at summer 2021 levels in Q1 2022
- Sales in 2021 grew 3x alone between May and August.
- Subscribers now accounting for around ~15%-20% of revenue.

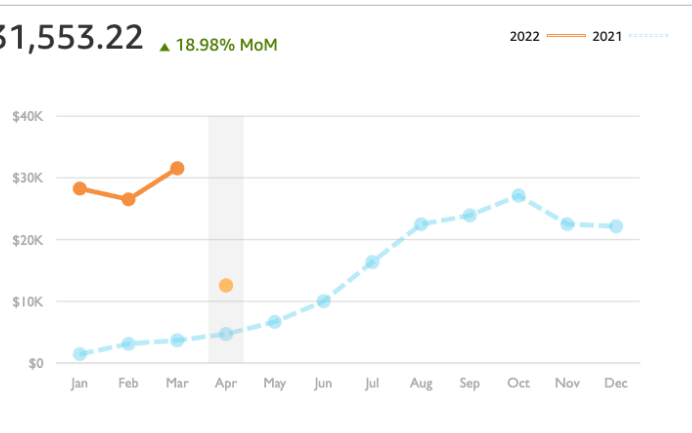
Subscriptions Count

2,362 ▲ 11.1% MoM



Shipped Revenue

\$31,553.22 ▲ 18.98% MoM



Average Revenue Per Subscriber vs. Non-Subscriber

Trailing 12 Months

Planned Revenue

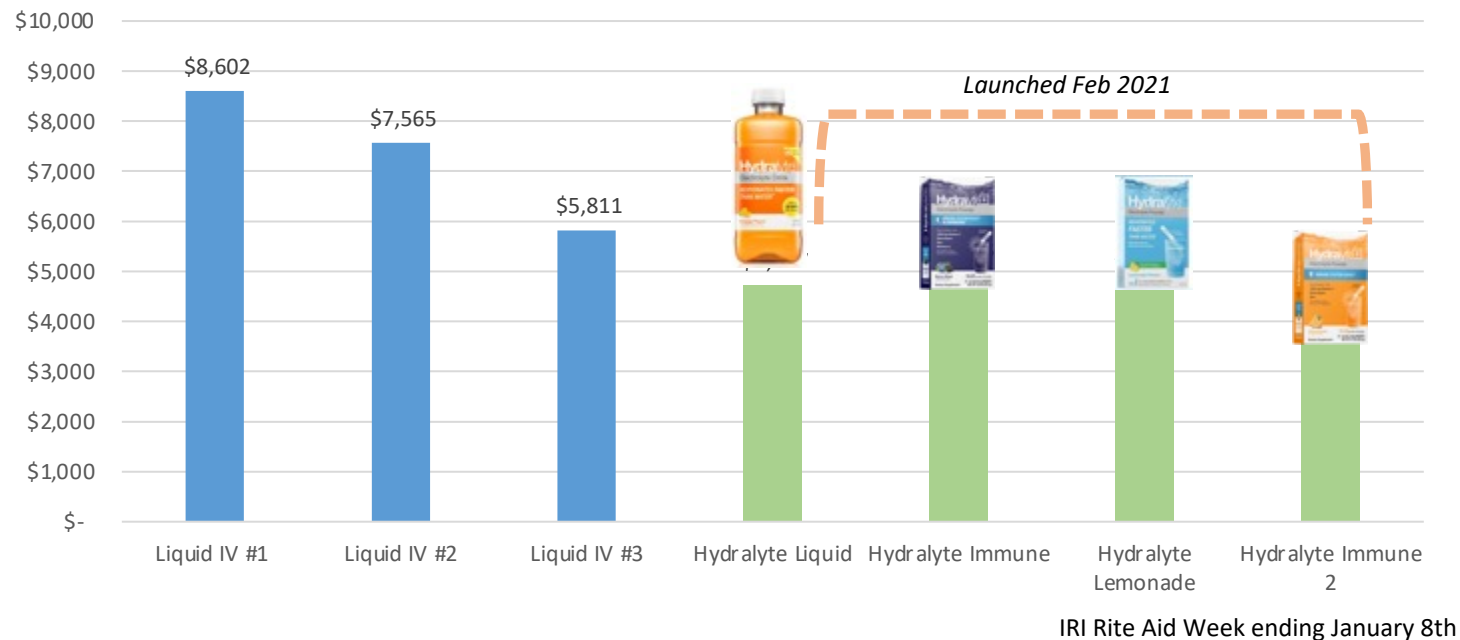
30 Days \$41,391.41	60 Days \$90,605.49	90 Days \$141,342.00
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What we're capable of in a Hydration set. Complementary to Pedialyte and Liquid IV

National pharmacy chain



Hydralyte 1 Week Sales vs Liquid IV - pro rated to 2000 doors over New Year



Major
Regional
Mass



Major
Grocery =
\$10k per
week in POS

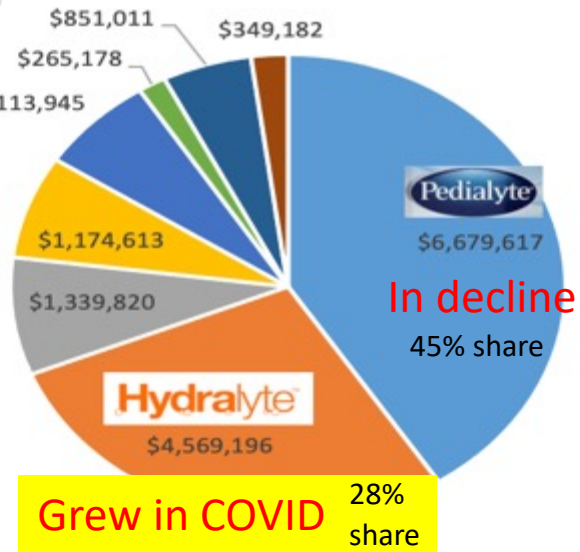


ANY LIMITED | 11

IRI Rite Aid Week ending January 8th

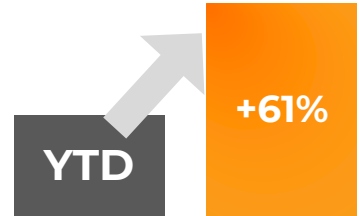
Canada Strength: 28% share of stores (July '21) and dominant brand online

Share of Canadian Pharmacy / Grocery (through July 2021)

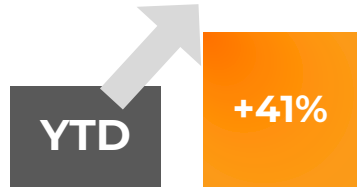


Source: Nielsen 52 Weeks through July 2021
Retailer sales figures sourced from week data. Covers data through end of Q1 2022

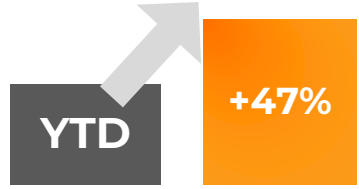
But that was last year!



Loblaws



London Drugs



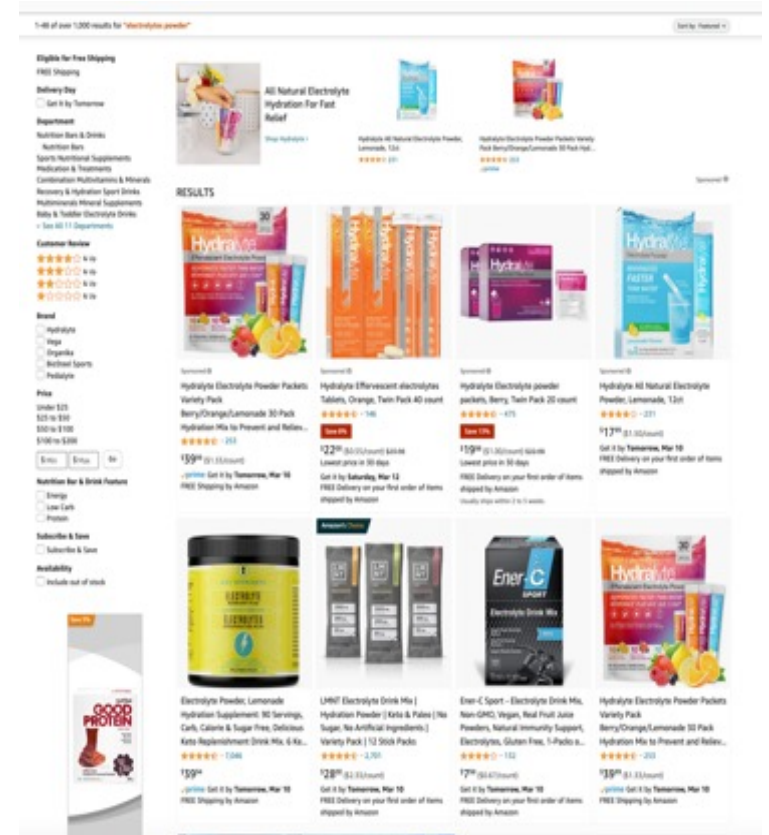
Walmart

(coming from smaller base – 3 SKUs to 5 SKUS)



Leading brand on Amazon Canada

Search Term 'Electrolyte Powder' on Amazon.ca

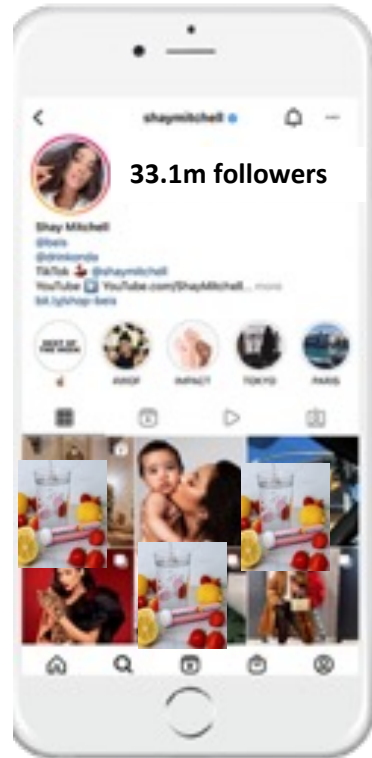


Canadian Sales Plan.

Increase Marketing



Major Celebrity



New SKUs



Stronger in-store presence over summer



2021 – 18 units

Booked for June / July 2022



2022 – 44 units

More flavours and formats = more sales (history shows negligible cannibalization)

Display is worth around ~\$US300k in sales

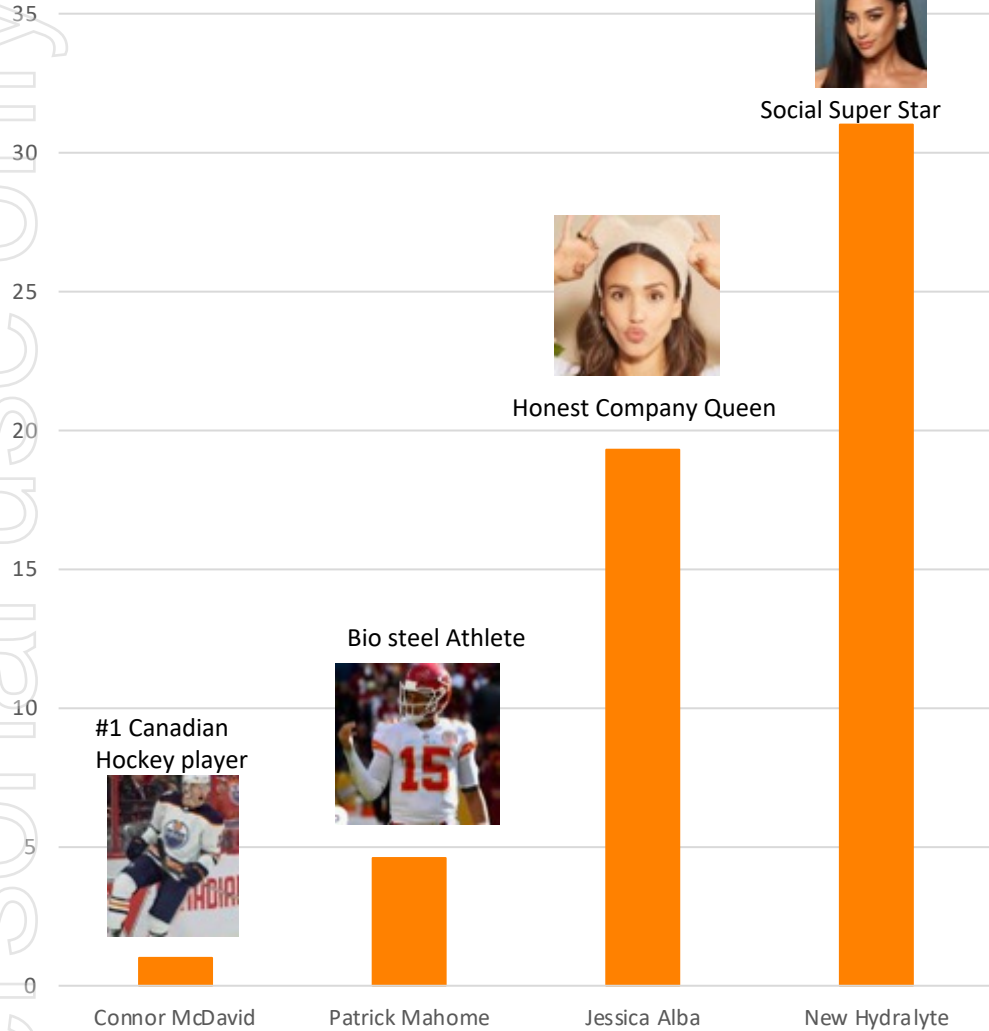
2022

2021

Personal use only

Hydralyte announces partnership with super entrepreneur, Shay Mitchell

Millions of Followers

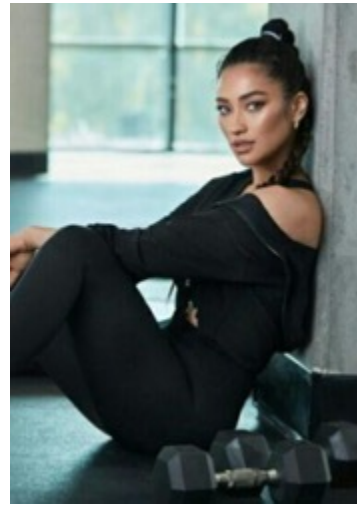


Social Super Star

Honest Company Queen

Bio steel Athlete

#1 Canadian Hockey player



Example of custom flavour

Critical Elements of partnership.

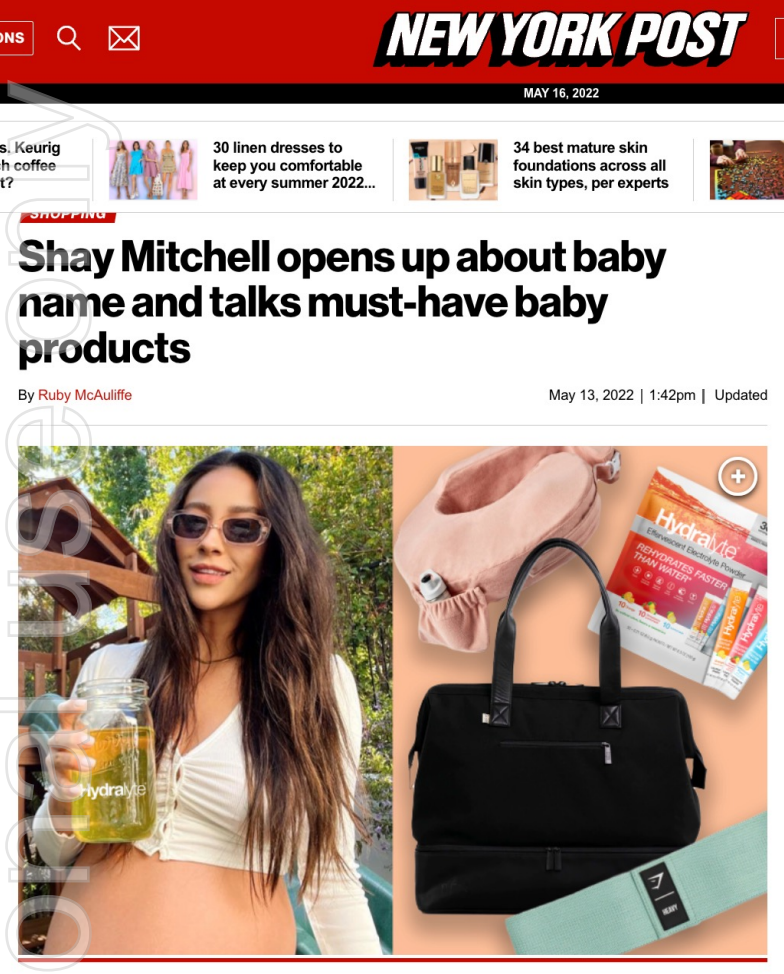
- Social Powerhouse, has built BEIS into ~\$50m in sales. Canadian, relatable. Lifestyle supports key usage occasions



- Min 10 social media posts per year – paid a commission off direct sales
- 2 in-person public appearances for PR events per year – 1 in USA, 1 in Canada
- Collab, co-branded product with Shay travel oriented silhouette as her 'stamp'.
- Now an owner, investor, partner
- Attendance at 2x retailer meetings a year.

ersonal use only

Shay Mitchell Press Coverage Launched 5.16



US
370 placements
| 216.3M impressions

- New York Post
- Buzzfeed
- Yahoo Finance – (47,428,093)
- SheKnows
- MSN
- Markets Insider – (5,045,824)
- Marketwatch – (23,373,278)

CANADA
4,072,000 impressions

- vitadaily.ca – (158,000)
- ca.news.yahoo.com – (1,505,000)
- todayparent.com – (416,000)
- HELLO! Canada – (733,000)
- HELLO! Canada (e-edition) – 1,260,000

First Instagram Post



Innovation update: First from the USA. Faster to market, Less Air Freight, anticipated higher margin
Complementary to current supplier

ersonal use only

NEW!
GREAT FOR
16oz BOTTLES

18
16oz servings

**LARGE STICK
VARIETY PACK**

Hydralyte®
Advanced Hydration

**REHYDRATES FASTER
THAN WATER***

Lightly Sparkling

Travel Hot or dry conditions Exercise Cold and flu Alcohol

6 Watermelon **6 Limeade** **6 Blue Raspberry**

No artificial colors, flavors, or sweeteners

18 - 0.21 OZ (6.0 g) PACKETS / NET WT 5.04 OZ (144 g)

2500 doors in July to launch through Rite Aid

Hydralyte Plus+
Advanced Hydration

LIVER SUPPORT & RECOVERY

Treats dehydration related to alcohol*

7 Key Electrolytes
Milk Thistle
Prickly Pear
Turmeric

No artificial colors, flavors or sweeteners

Blood Orange
natural flavor with other natural flavors

Dietary Supplement

12 x Powder Packets
12 - 0.25 OZ (7 g) PACKETS
NET WT 5 OZ (140 g)

Hydralyte Plus+
Advanced Hydration

ASHWAGANDHA

Daily hydration* with:
7 Key Electrolytes
Vitamin C

No artificial colors, flavors or sweeteners

Acai
natural flavor with other natural flavors

Dietary Supplement

12 x Powder Packets
12 - 0.25 OZ (7 g) PACKETS
NET WT 5 OZ (140 g)

NEW: 500ml (16oz) sticks

Hydralyte North America's Core Investment Thesis

Hydralyte North America is an established business

- De-risked and with fundamentals in place
- Team has track record of growing super brands within consumer space

E-comm is key pillar of current success

- Aligning with consumer macro trends
- Higher margin
- Unique to USA (and USDs)

Canada strength

- 28% Share of undersized market. Australia is ~\$60-70m, USA is ~\$1.2BI
- Reduces risk for US worst case. Hydralyte will grow with new entrants, bigger spenders

ASX: HPC

Thanks



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