

— 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 \$1.7B



**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

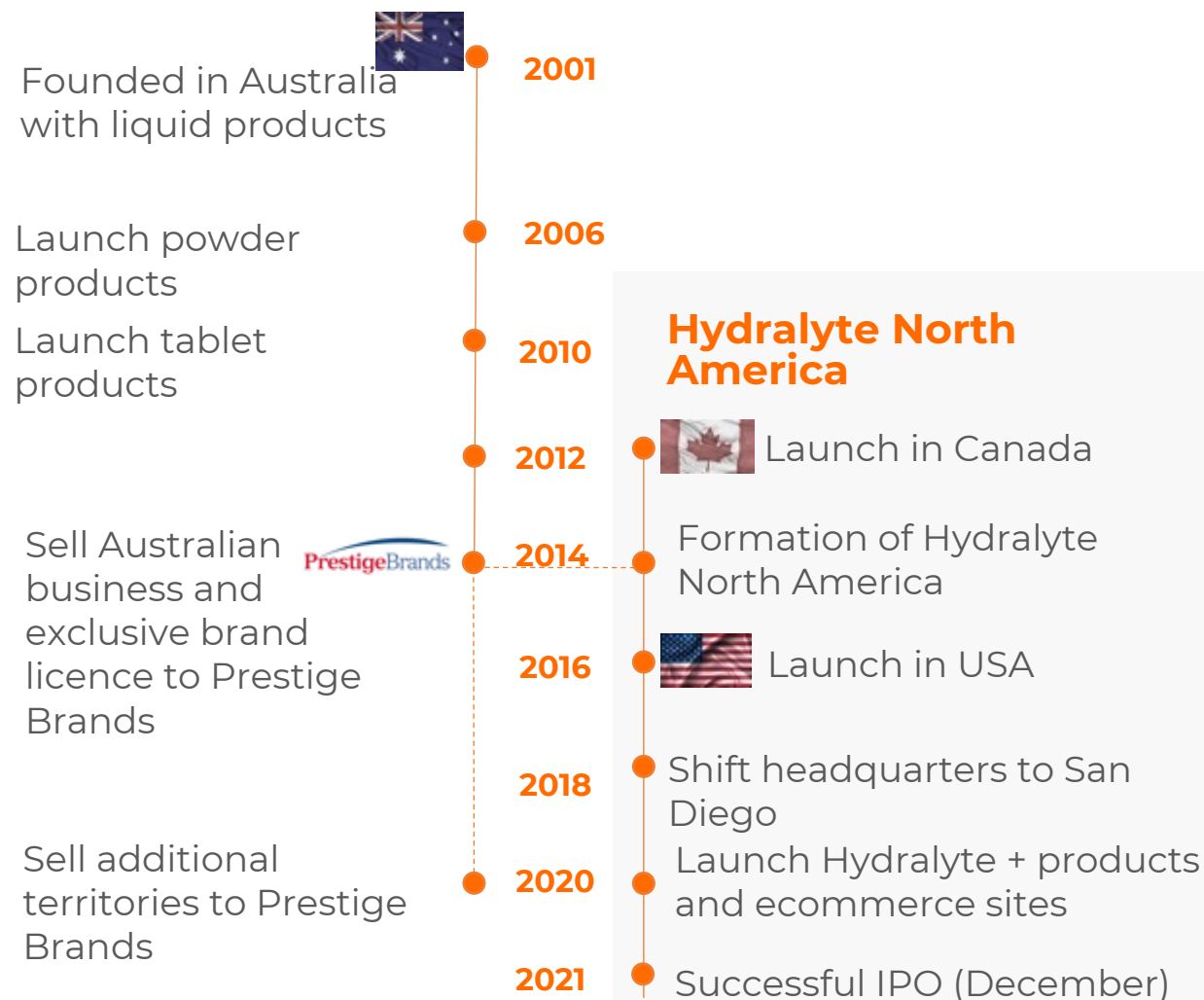
## HYDRALYTE GLOBAL TERRITORIES



- Exclusive Hydralyte North America markets
- Hydralyte Australia owned by (Prestige Brands) exclusive

Hydralyte™

## 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=83ff96335c2d45a094df02a206a39ff44](https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02513351-3A592213?access_token=83ff96335c2d45a094df02a206a39ff44)

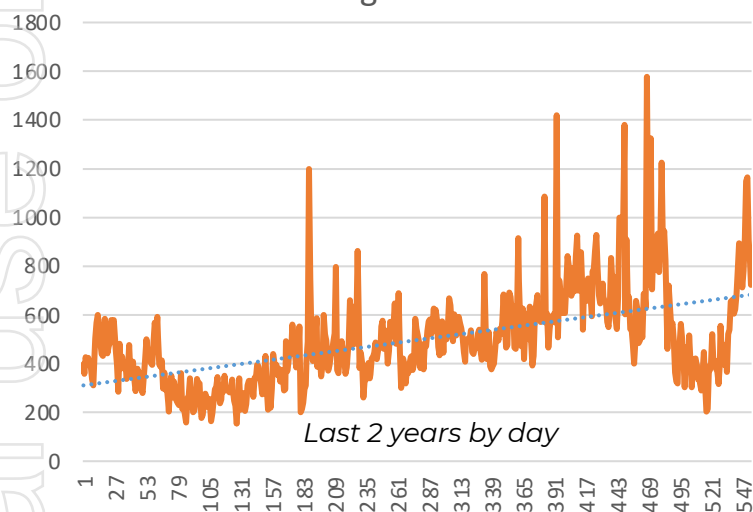
\*\*Nielsen 52 weeks of retail sales across Grocery and Pharmacy including a basket of Sports, Baby and Digestive based brands.

# Company Highlights

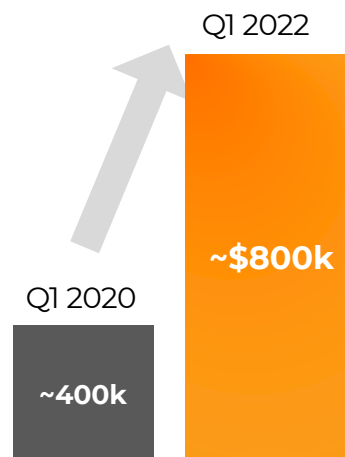
## Amazon

### AMAZON STORE SESSIONS BY DAY

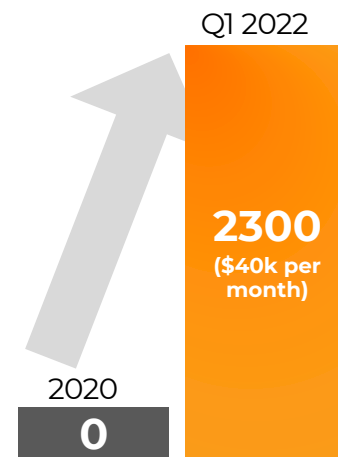
through Dec 2021



### Amazon Quarterly Sales

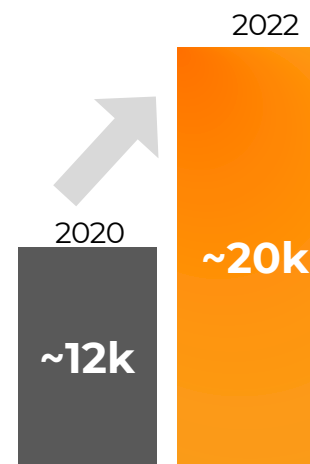


### Amazon Subscriptions



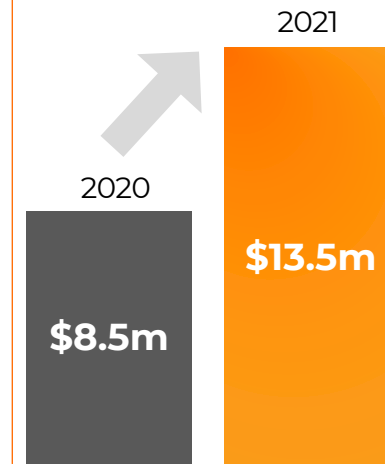
## Stores

### North American Door Count



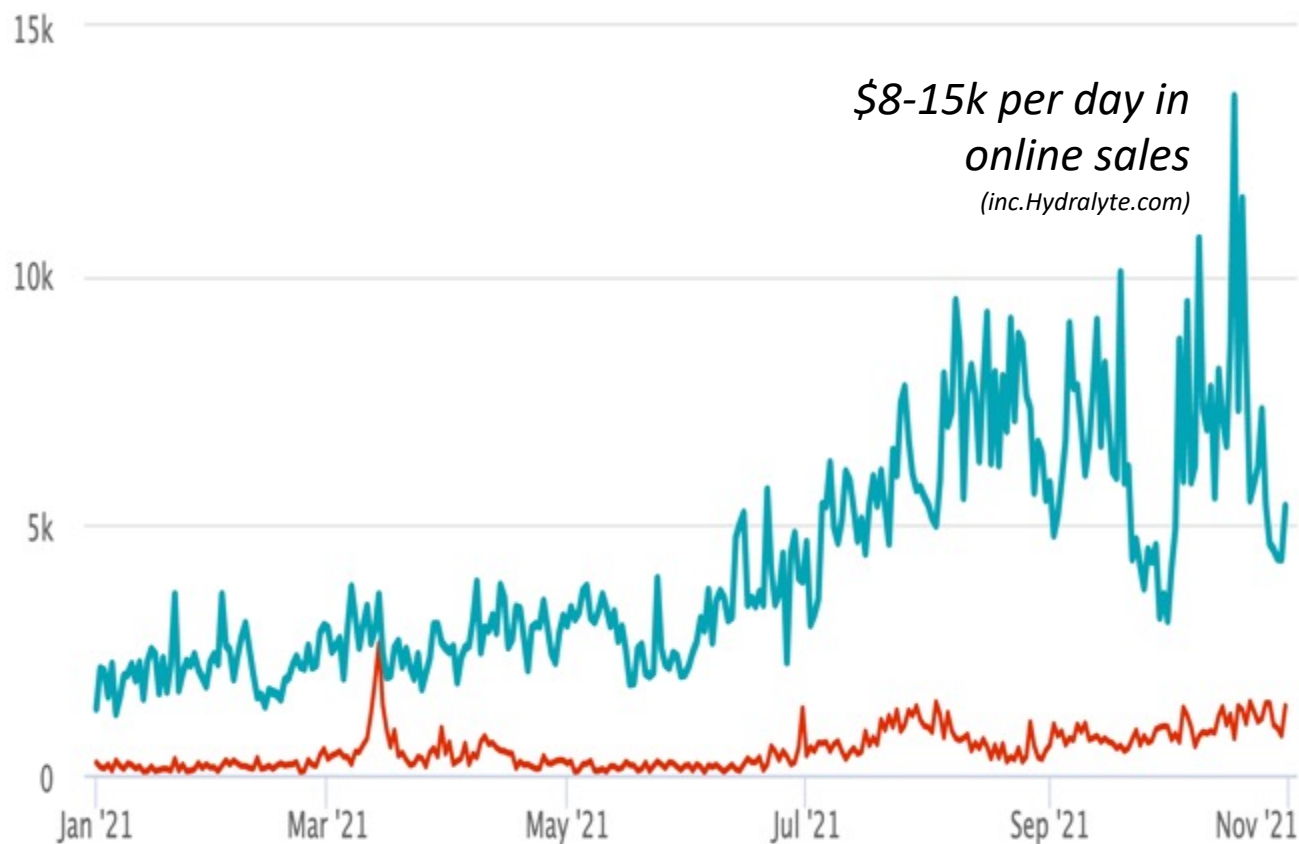
## Business

### 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

Hydralyte

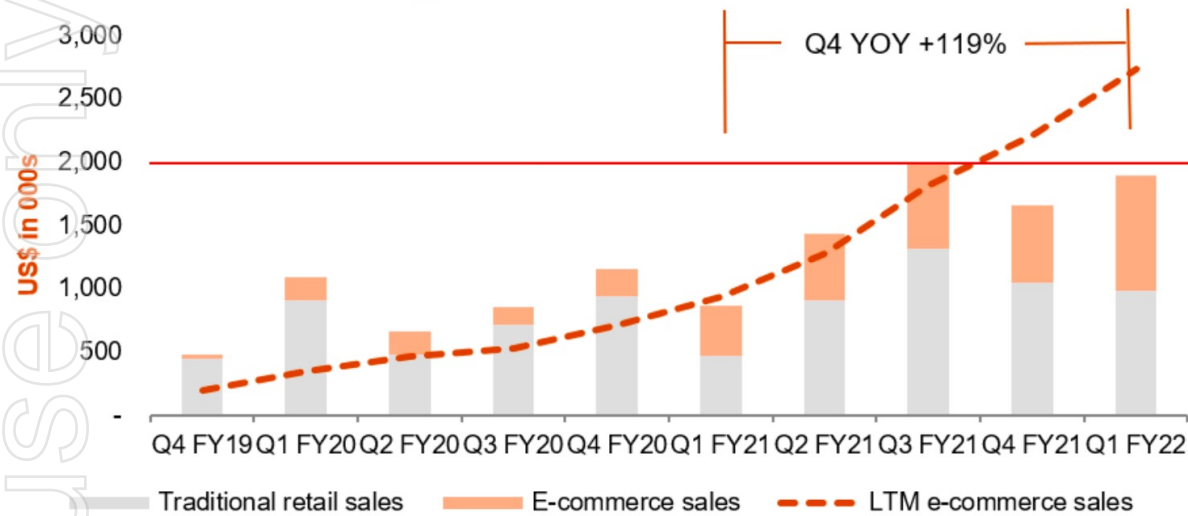
**To**

Lifestyle Brand  
Consumer strategy  
Wellness Focus

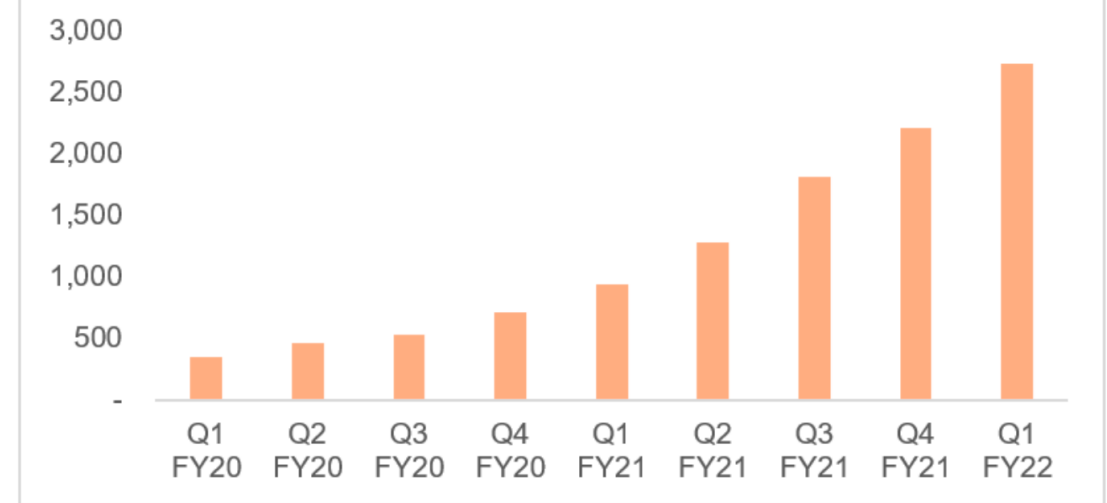


# Q1 2022 Wrap Up

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%
E-commerce revenue	397	727	919	26%	131%
Traditional retail revenue	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](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)
<b>Gross profit</b>	<b>2,789,599</b>	<b>1,335,465</b>	<b>1,454,134</b>
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)
<b>Profit before tax</b>	<b>(8,951,661)</b>	<b>(743,663)</b>	<b>(8,207,998)</b>
Income tax expense			
<b>(Profit) / Loss for the year</b>	<b>(8,951,661)</b>	<b>(743,663)</b>	<b>(8,207,998)</b>
Other comprehensive income	(1,241,976)	285,610	(1,527,586)
<b>Total comprehensive (income) / loss for the year</b>	<b>(10,193,637)</b>	<b>(458,053)</b>	<b>(9,735,584)</b>

-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

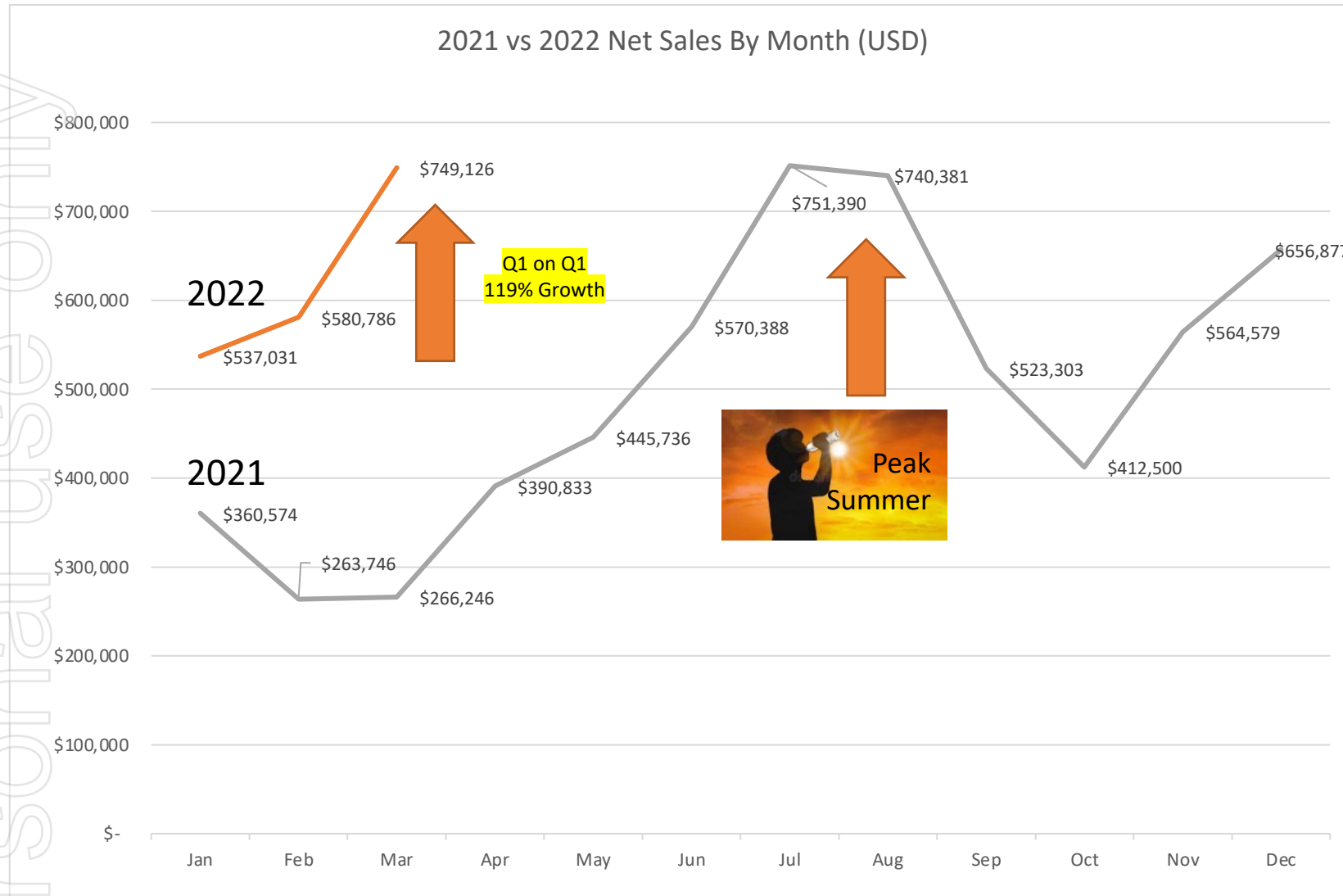
The Company was impacted materially by non-recurring costs associated with capital raising activities. Following the removal of non-cash and one-off costs associated with the IPO, Hydralyte North America calculates an underlying EBITDA loss for FY2021 of US\$4.0 million. The Company's successful IPO 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.

<b>Loss for the year</b>		<b>(\$8.9m)</b>
<b>One-off or non-cash costs:</b>		
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	
<b>Total one-off or non-cash items</b>		<b>\$4.9m</b>
<b>Underlying EBITDA for the year</b>		<b>(\$4.0m)</b>



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

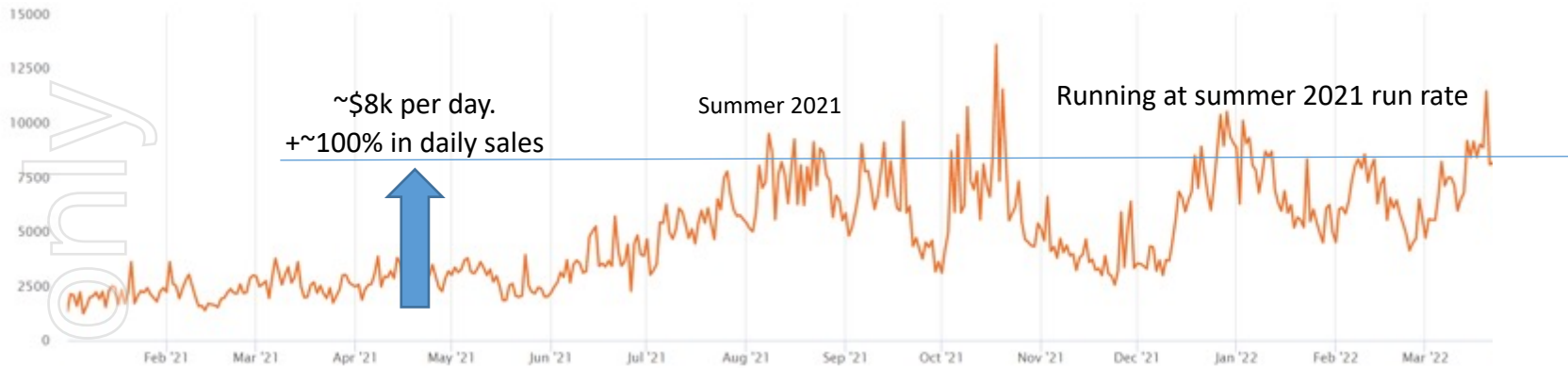


Net sales are Gross sales less ~25%

- 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

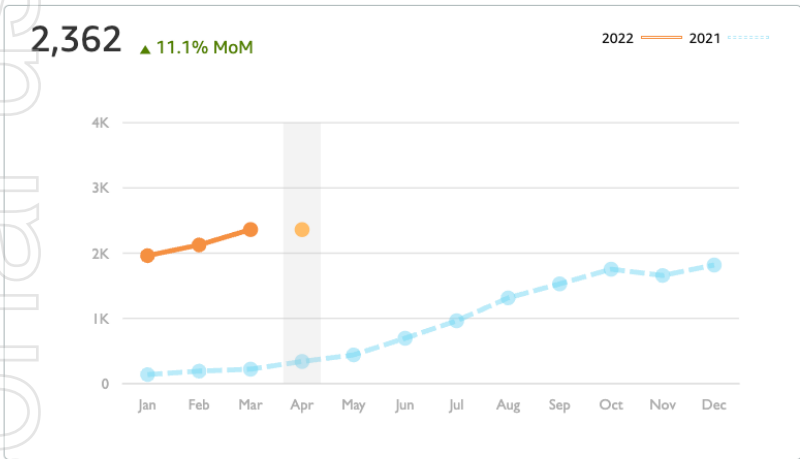
# USA Amazon

Amazon USA Sales by Day, 2021 through to today

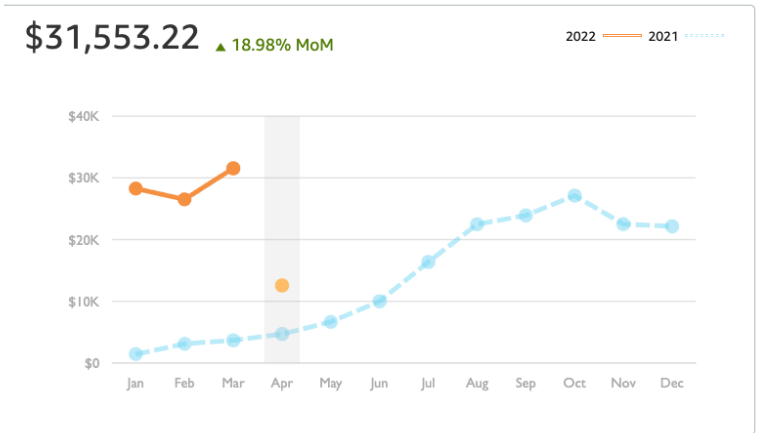


- Amazon daily sales tracking at summer 2021 levels in Q1 2022
- Sales in 2021 grew 3x alone between May and August.
- Subscribers now accounting for around ~15%-20% of revenue.

Subscriptions Count



Shipped Revenue



Average Revenue Per Subscriber vs. Non-Subscriber

Trailing 12 Months

Planned Revenue

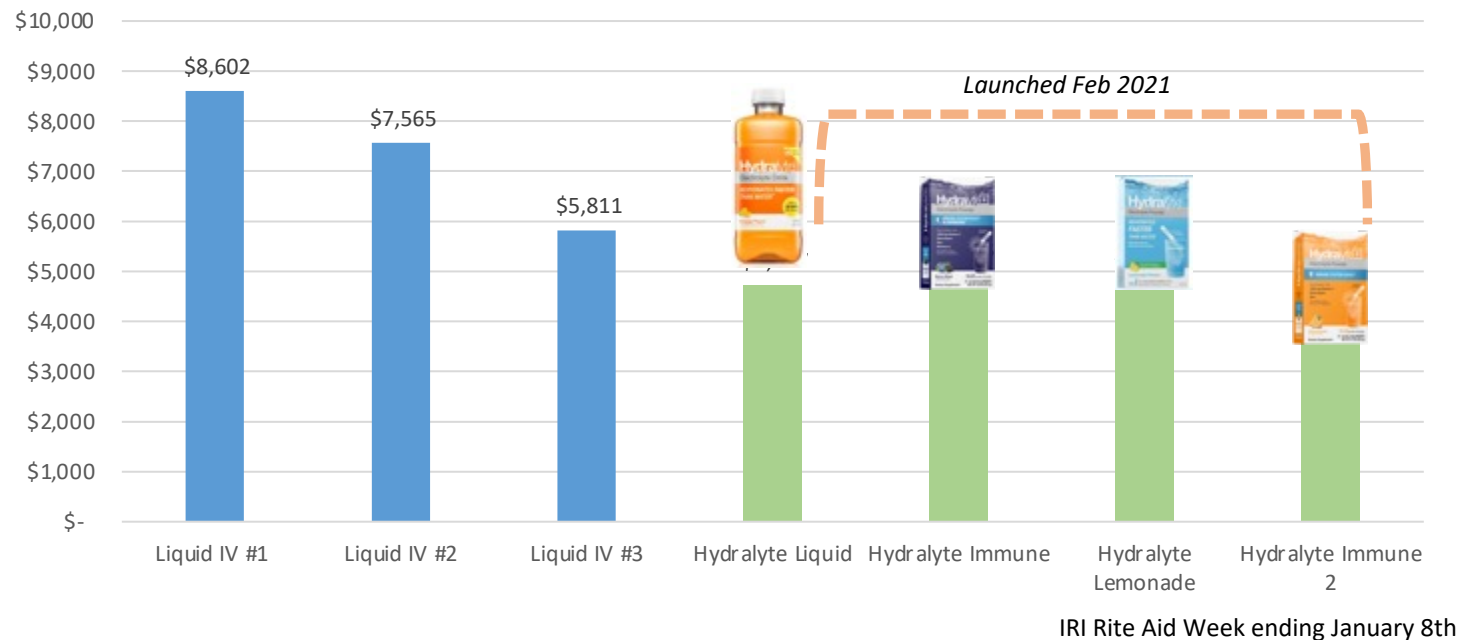
30 Days \$41,391.41	60 Days \$90,605.49	90 Days \$141,342.00
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# What we're capable of in a Hydration set. Complementary to Pedialyte and Liquid IV

National pharmacy chain



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



Major  
Regional  
Mass

Hydralyte



Major  
Grocery =  
\$10k per  
week in POS

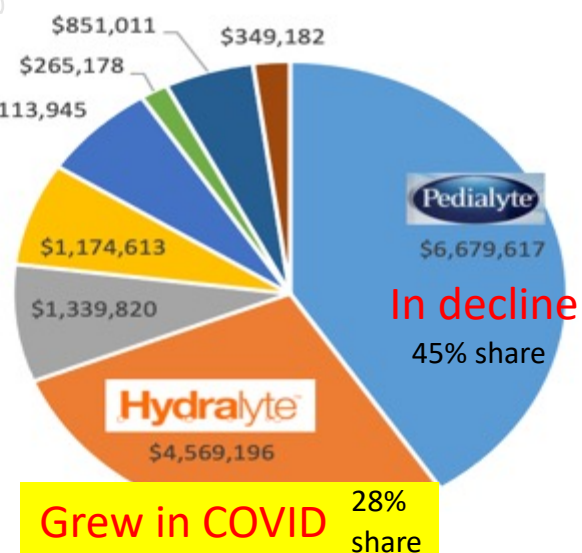


ANY LIMITED | 11

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)



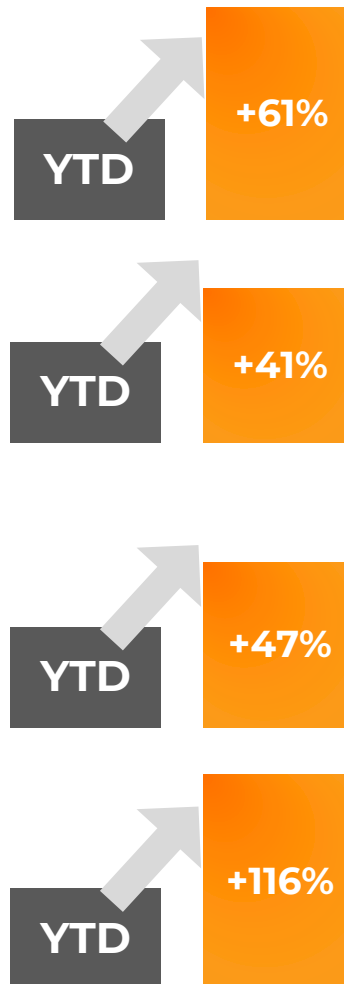
## But that was last year!



Loblaws

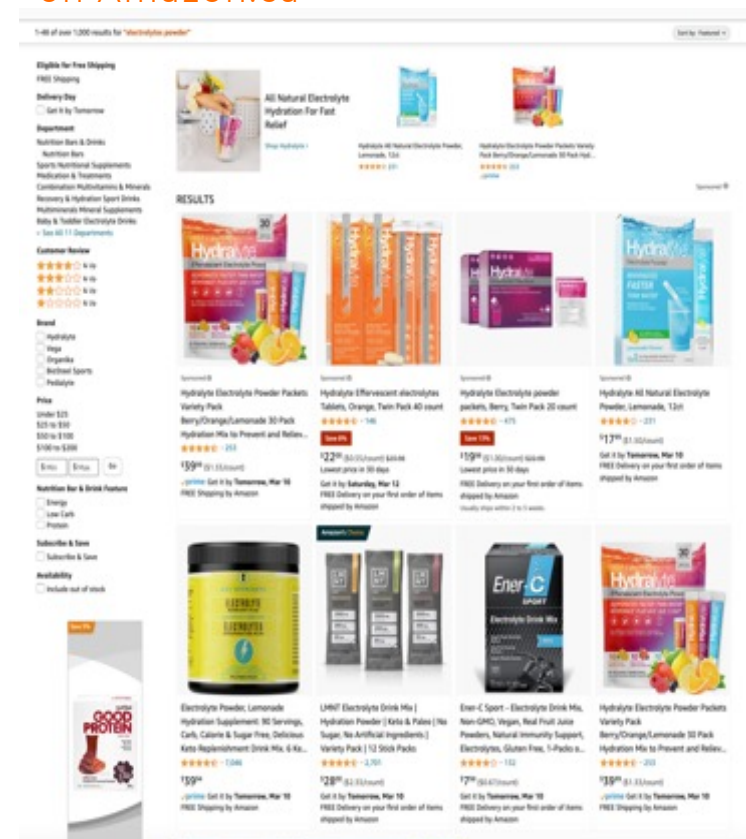
London Drugs

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



## Leading brand on Amazon Canada

Search Term 'Electrolyte Powder'  
on Amazon.ca



Source: Nielsen 52 Weeks through July 2021

Retailer sales figures sourced from week data. Covers data through end of Q1 2022

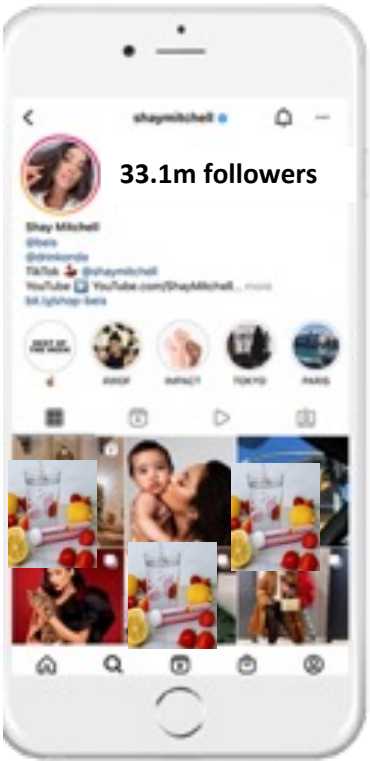


# Canadian Sales Plan.

## Increase Marketing



## Major Celebrity



## New SKUs



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

## Stronger in-store presence over summer



*Booked for June / July 2022*



**2022 – 44 units**

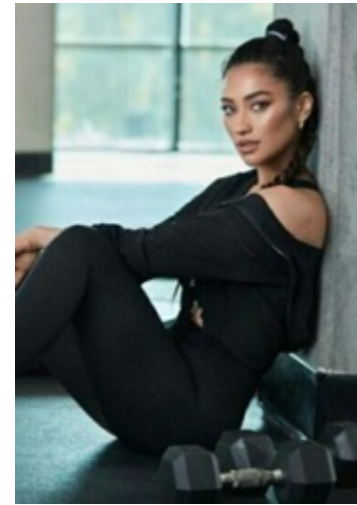
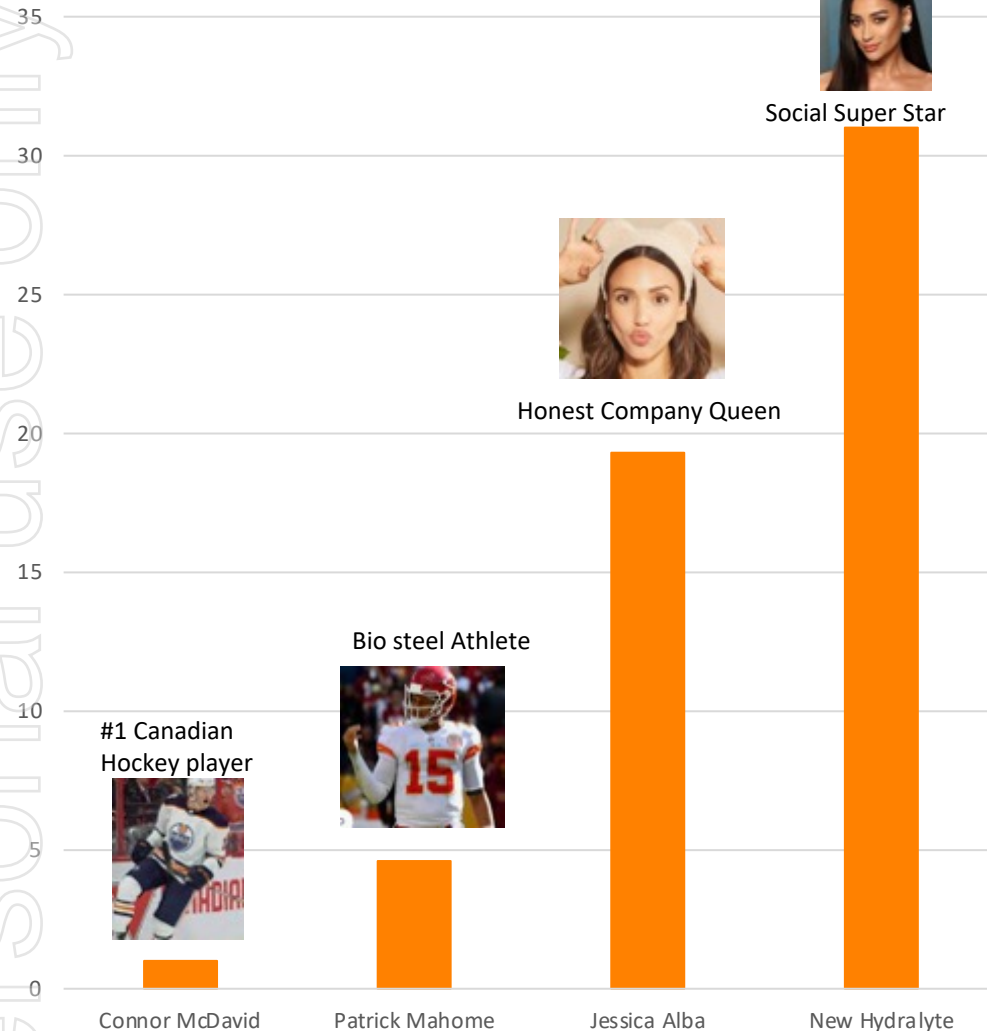
*Display is worth around ~\$US300k in sales*

2022

2021

# Hydralyte announces partnership with super entrepreneur, Shay Mitchell

Millions of Followers



Example of custom flavour

## Critical Elements of partnership.

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



Morning pick me up



Hangover



Pregnancy



Travel



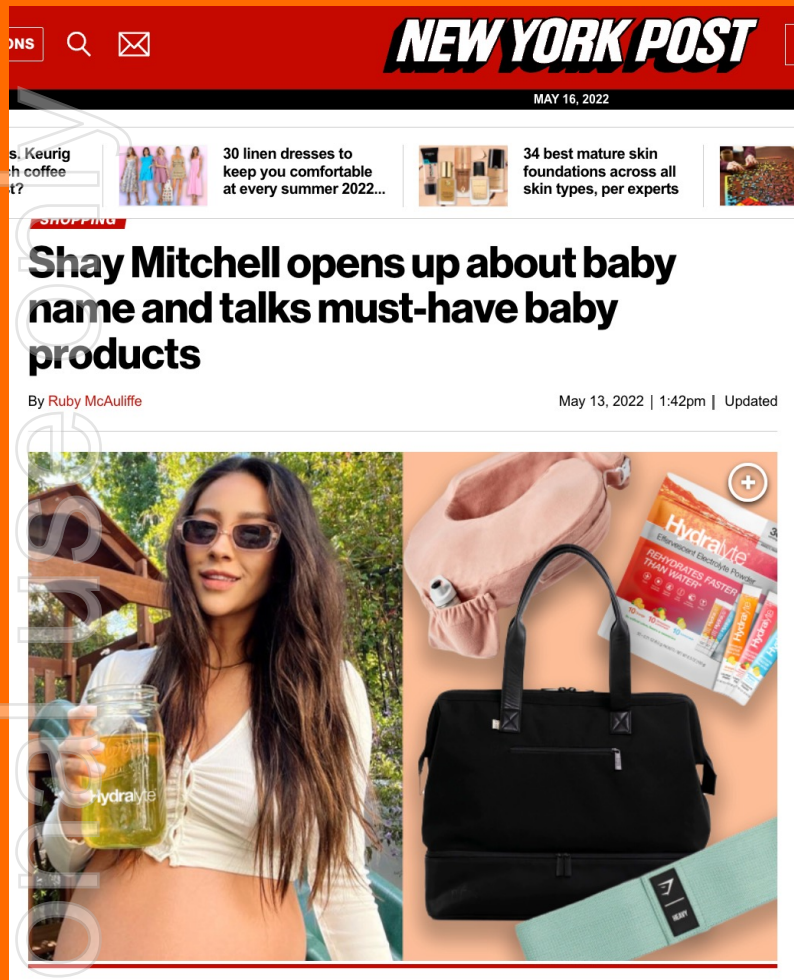
Exercise



Cold and Flu Immune

- 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.

# 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)  
todaysparent.com – (416,000)  
HELLO! Canada – (733,000)  
HELLO! Canada (e-edition) –  
1,260,000

# First Instagram Post





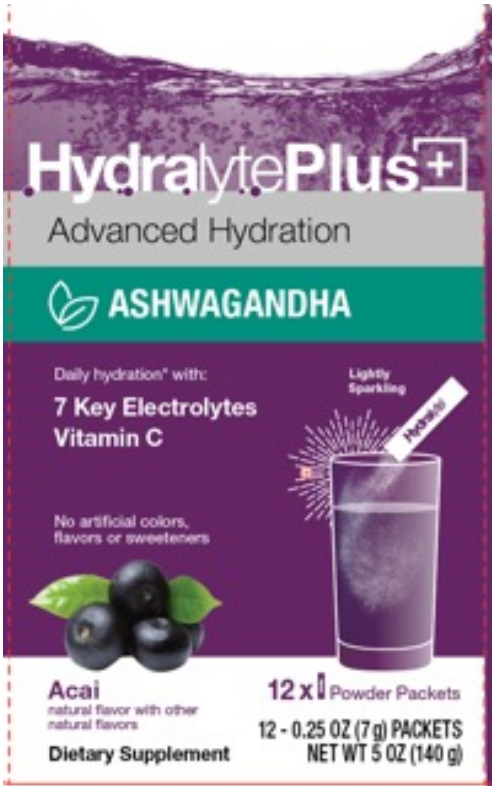
Innovation update: First from the USA. Faster to market, Less Air Freight, anticipated higher margin  
Complementary to current supplier



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

NEW: 500ml (16oz) sticks

2500 doors in July to launch through Rite Aid





# 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

