

HydraLyte[®]

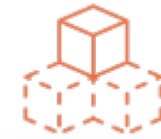
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Our purpose

To make better hydration solutions and make a difference doing it

Our ambition

To own hydration in the family home



Low Sugar



More Electrolytes



Hydration Acceleration Formula



Doctor Approved, Rapid Rehydration

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A North American focused company with Australian heritage

HYDRALYTE GLOBAL TERRITORIES

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Exclusive Hydralyte North America markets

Hydralyte Australia owned by (Prestige Brands) exclusive

Founded in Australia with liquid products



2001

Powder products launched

2006

Tablet format products launched

2010

Hydralyte North America (ASX: HPC)

2012



Launch in Canada

Australian business and exclusive brand licence sold to Prestige Brands



2014

Formation of Hydralyte North America

2016



US launch

2018

Relocate HQ to San Diego

Additional territories sold to Prestige Brands (refer left)

2020

Launch Hydralyte + products and ecommerce sites

2021

Successful IPO

2022

US\$9.09m in sales (FY2022)

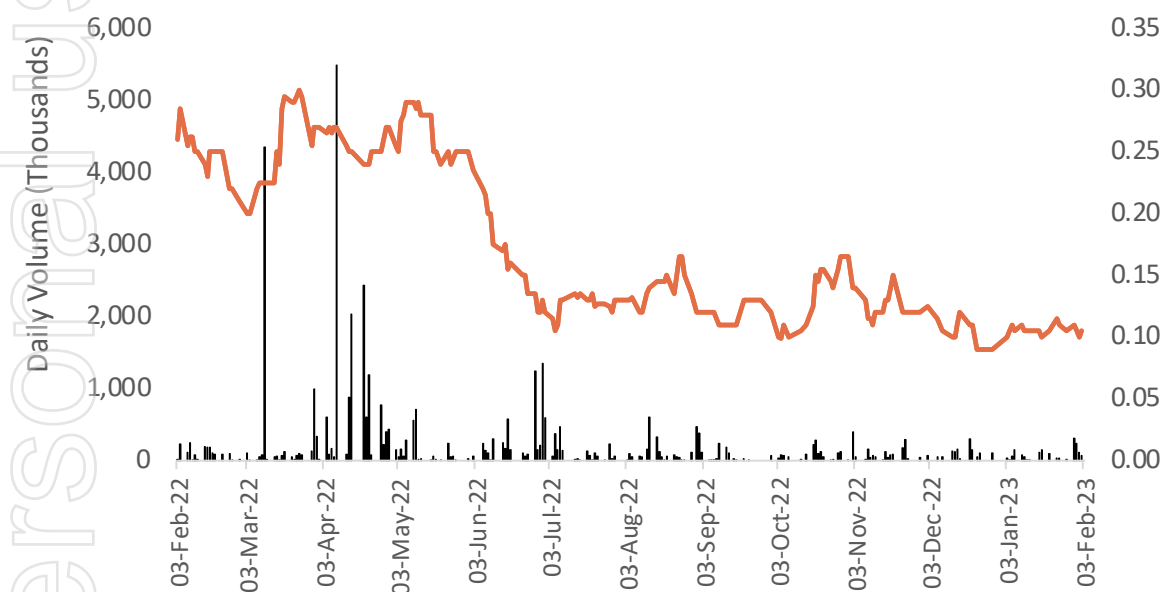


Corporate overview

Corporate snapshot

ASX code:	HPC
Shares on issue:	163.8m
Market capitalisation (at \$0.10 per share):	A\$16.3m
Options on issue (exercisable at various prices):	38.9m
Performance Rights:	3.4m
Warrants:	22.4m
Cash at bank (as at 30 Dec 2022):	US\$4.9m
Unused financial facilities available:	A\$5.5m

Share price and volume (3 February 2022 to 3 February 2023):



Major shareholders (as at 3 February 2023):

Woobinda Nominees Pty Ltd (Mr Dan O’Brian)	9.16%
HSBC Custody Nominees (Australia) Limited	8.56%
Super Radek Pty Ltd (Mr Radek Sali)	7.52%
J P Morgan Nominees Australia	7.13%

Top 20 shareholders: 62.72%

Board and Management:

Chairman:	Mr George Livery
Chief Executive Officer:	Mr Oliver Baker
Chief Financial Officer:	Mr Chris Kavanaugh
Non-executive Director:	Mr Adem Karafili
Non-executive Director:	Ms Gretta Van Riel
Non-executive Director:	Ms Margaret Hardin
US Advisor:	Ms Vanessa Dew
US Advisor:	Mr Brandon Fishman

An experienced Board, management and advisory team

Disciplined governance and extensive expertise in growing consumer products companies



Oliver Baker

CEO

Former General Manager of Swisse Wellness USA and China. (sold for \$1.7Bn)



George Livery

Chairman

Former Director of Strategy & Corporate at Swisse Wellness



Adem Karafili

NED

Former Managing Director and COO of Swisse Wellness



Gretta Van Riel

NED

Ecommerce expert, founder of Drop Bottle and Skinny Me Tea. Forbes 30 under 30



Margaret Hardin

NED

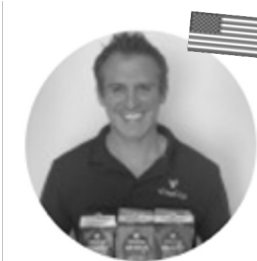
Former CEO and CFO of major US product companies, Baby super Brands, Ergo Baby and Munchkin



Vanessa Dew

US Advisor

Founder of Health-Aid Kombucha – a top 3 brand across North America



Brandon Fishman

US Advisor

Founder and CEO of VitaCup, the first ever vitamin-infused tea and coffee product

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Overview and investment highlights

Leveraging an established market presence to deliver rapid growth

Established operations

- Strong sales growth in North America through ecommerce and major retailers
- Recently named in the AFR Fast 100 as one of the country's top growth businesses
- Scalable manufacturing and cost management focus underpin strong gross margin
- Well funded through recent A\$12m loan agreement with existing shareholder

Significant Sales Growth

- Sales have grown ~50% with Amazon up ~100%+ to US\$9.09m in sales (FY2022)
- Ecommerce sales up 67% in FY2022 to US\$4.08m
- Growth underpinned by Amazon subscriptions which increased 108% in FY2022 to 4,093
- Online sales compliment revenue from existing major bricks-and-mortar stockists including RiteAid, CVS and Walmart Canada (amongst others)

Proven Canadian business

- Top-two position for hydration product sales in Canadian pharmacy market, with national distribution*
- Omnichannel strategy across the country making online growth cheaper
- Canada is regulated which defrays competition
- Provides validation of the company's business model as US expansion continues

Source: *IQVIA 52 Weeks Category Data for Food Drug and Mass. Excludes Fridge Items.



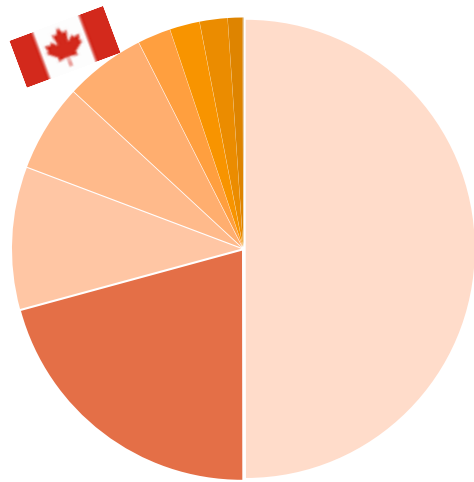
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Canadian market opportunity (vs USA)

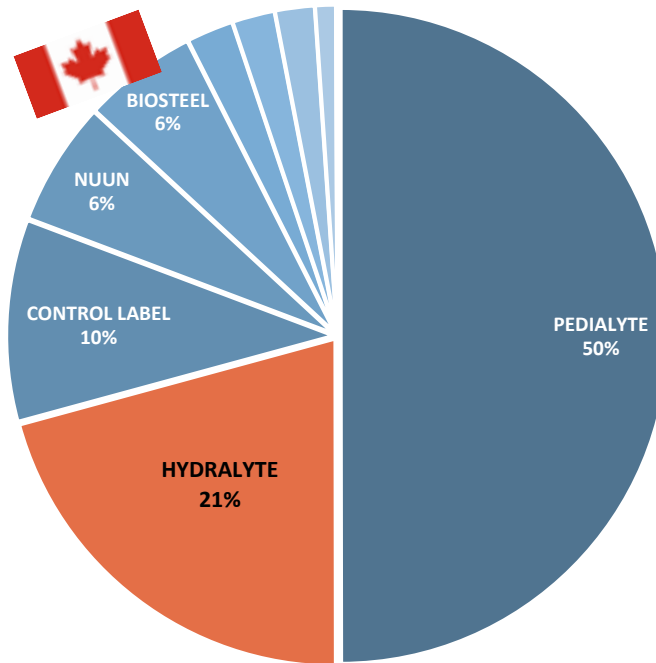
Canadian in-store categories have doubled in size – led by Pedialyte (market leader) and Hydralyte

Canadian market is undersized and will grow organically – providing significant opportunity

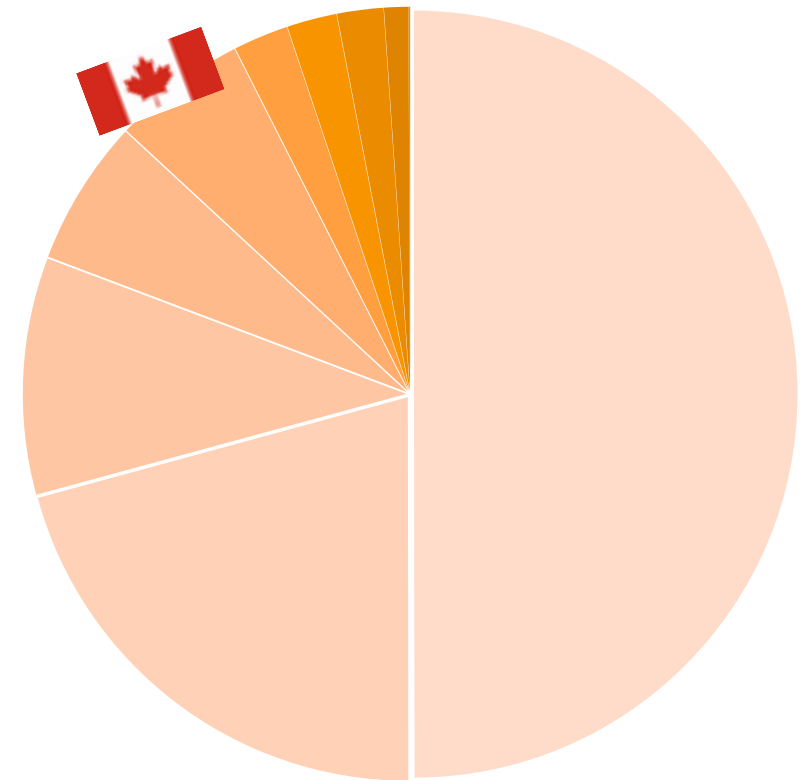
August 2021 market value:
~US\$16m



August 2022 market value:
~US\$33m



2025-2026 forecast value:
+US\$150m



US category is valued at ~\$US\$1.5Bn with most mature categories at 10:1 – HPC to benefit from ongoing organic growth



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Q4 FY2022 results overview

Total FY2022 revenue:

US\$9.09m ↑

↑ +49% on PCP
(unaudited)

Q4 FY2022 revenue:

US\$2.52m ↑

↑ +45% on PCP

Gross margin:

48% ↑

↑ +5% on PCP

Amazon US subscriber growth:

Up 108% ↑

From 1,962 to 4,093 subscribers as
at 30 December 2022

Canadian retail sales:

Up 69% ↑

Major increase on PCP through
increased sales to key retailers

Q4 FY2022 net cash used

US\$2.6m

Includes \$500k large one-off
expenses which won't occur in Q1

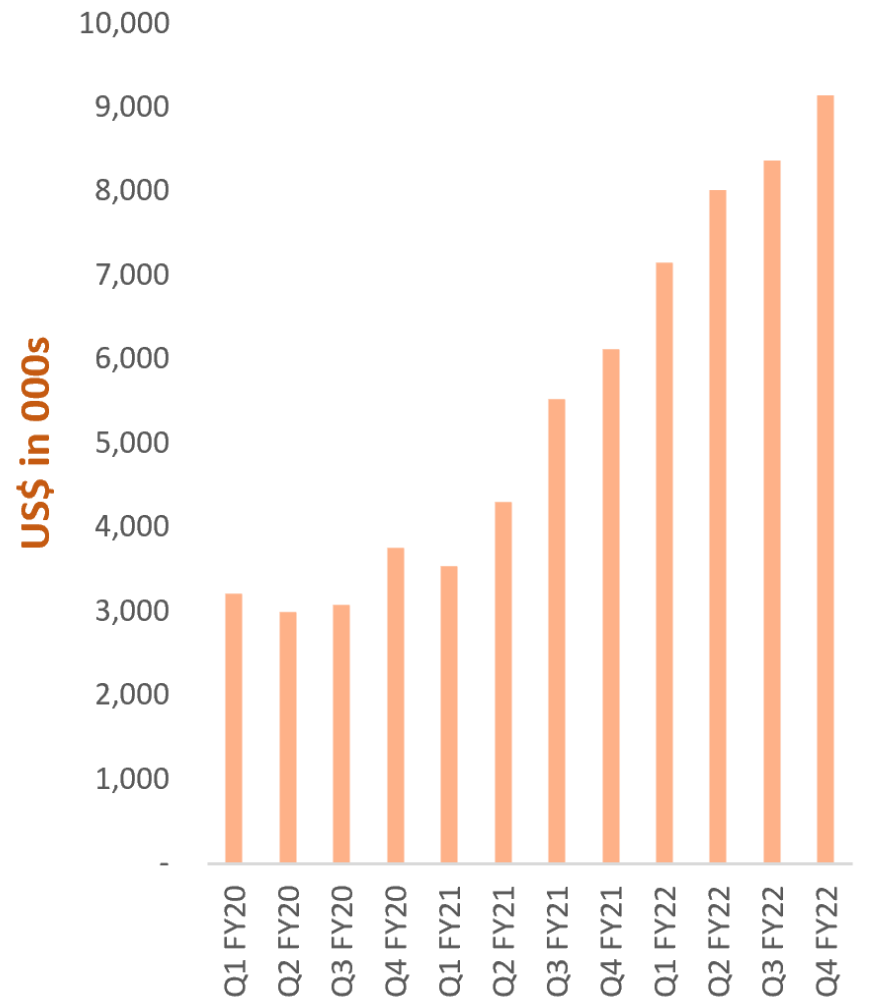
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Revenue growth remains strong

- Trailing 12 month revenue of US\$9.09m up 49% on Q4 FY2021
- Largest quarterly sales achieved to date – bucking traditional seasonal downtrend following peak North American summer months
- Growth driven by:
 - Canadian retail sales: up 49% on PCP
 - Amazon US sales: +32% on PCP
 - Amazon US subscriptions: rose 108% since January 2021
 - New retail outlets being added with higher penetration per store

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Trailing 12 month net sales



Sources of revenue

Focused on consolidating the North American market – strong presence in Canada and a growing foothold in the US

Canada:

- Trailing 12 month sales: US\$4.6m – +52% on PCP
- Brand available in every pharmacy in the country with per store velocity increasing
- Online sales account for 26% of total revenue and Amazon is fastest growing account with a number one organic position in category

US:

- Trailing 12 month sales of US\$4.4m – up 41% on PCP
- Selling through major retailers including CVS, Rite Aid, HEB, Publix
- Ecommerce sales totaled 61% of total US revenue in FY2022

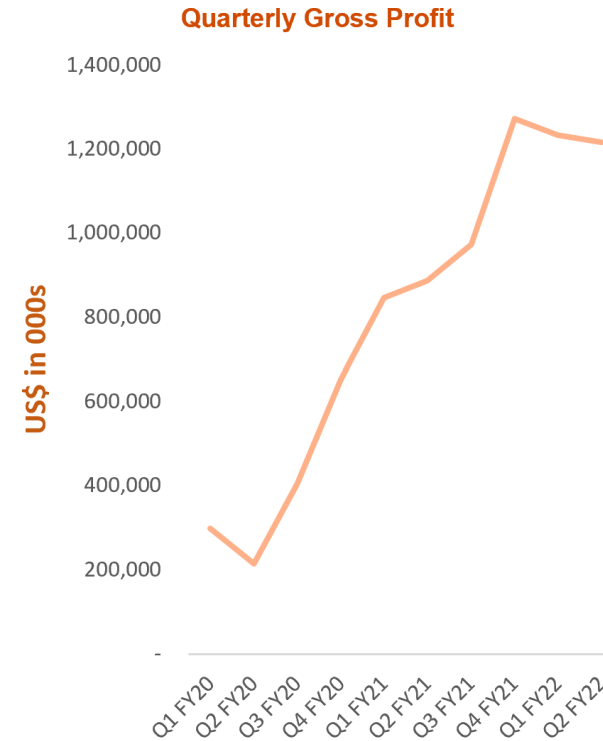


Management have improved gross margin

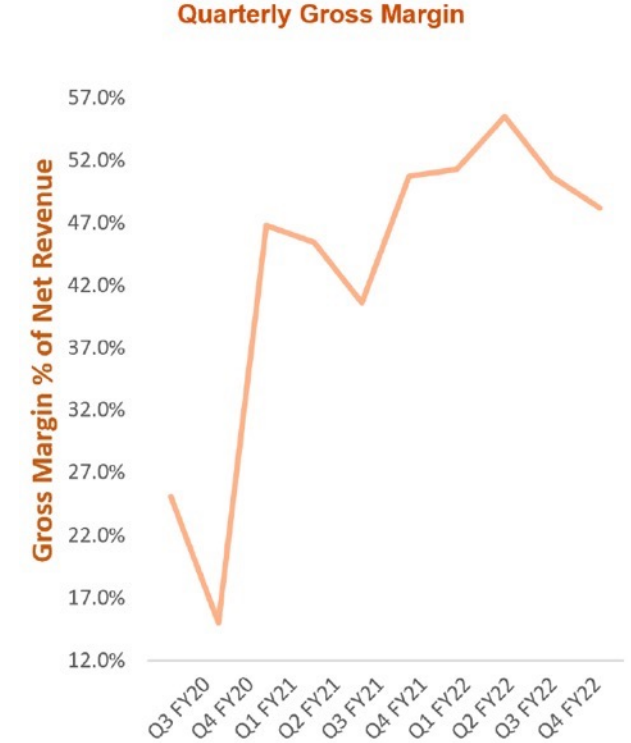
Improvement being driven by:

- Made for channel product innovation including Amazon friendly SKUs
- Pricing increases accepted by major Canadian and US bricks and mortar stores
- Marketing focused on higher margin SKUS through higher margin retailers.
- Health Canada approval for US manufacturer has potential to generate further per-unit margins improvements on ready-to drink liquid range
- Expected reduction in airfreight from EU which is driver of Gross margin fluctuations

Gross margin



Gross profit



Partnership with brand ambassador, Shay Mitchell

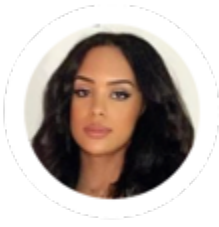
- Ms Mitchell is a Canadian Actress and entrepreneur with ~35.4m Instagram followers
- Co-branded product launched in December 2022 through HPC ecommerce channels and Amazon USA
- SKU now being stocked by RiteAid, which has nearly 2,300 US stores – additional retail stockist pending
- 16 of North America's top influencers were invited for a two-day marketing activation in Miami to promote the partnership
- Event delivered significant social media exposure across HPC's target market

Influencer attendees:



Abbie Herbert
@abbieherbert

14.4m followers



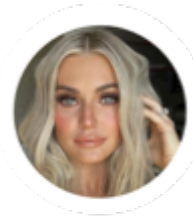
Kristy Sarah
@kristy.sarah

9.6m followers



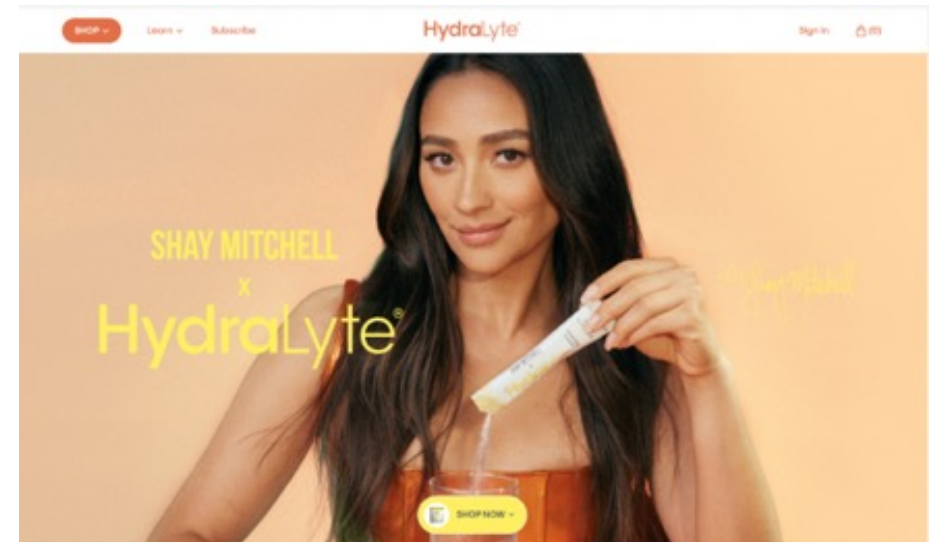
Bailey Daughenbaugh
@baidaugh

4.6m followers



Lindsay Cusick
@lindsarnold

1.1m followers



Guests had a total of 85m followers combined – providing major exposure ahead of bricks and mortar roll out

H1 FY2023 product launches and value catalysts

#1 SKU launch of 2022 was Hydralyte Liver Detox which delivered ~US\$300,000 of incremental sales



Shay Mitchell launches in retail stores

Jan 23

Shay's partnership opens the door for standard products in new sections of retail stores.



Launch of Liver Support Tubs

March 23

Larger packs in best selling SKUs to increase reach to new customer groups and value to existing ones.



Launch of Plus Apple Cider Vinegar

April 23

Continued expansion of Plus line SKUs into trending, high growth segments.



Launch of Plus Women's Multivitamin

Apr 23

Aim to establish more of a foothold in daily usage categories.



Shay Mitchell Lemon Squeeze launch

May 23

Influencer launch event in Canada to accelerate product awareness and press.



Shay Mitchell Passion Fruit launch

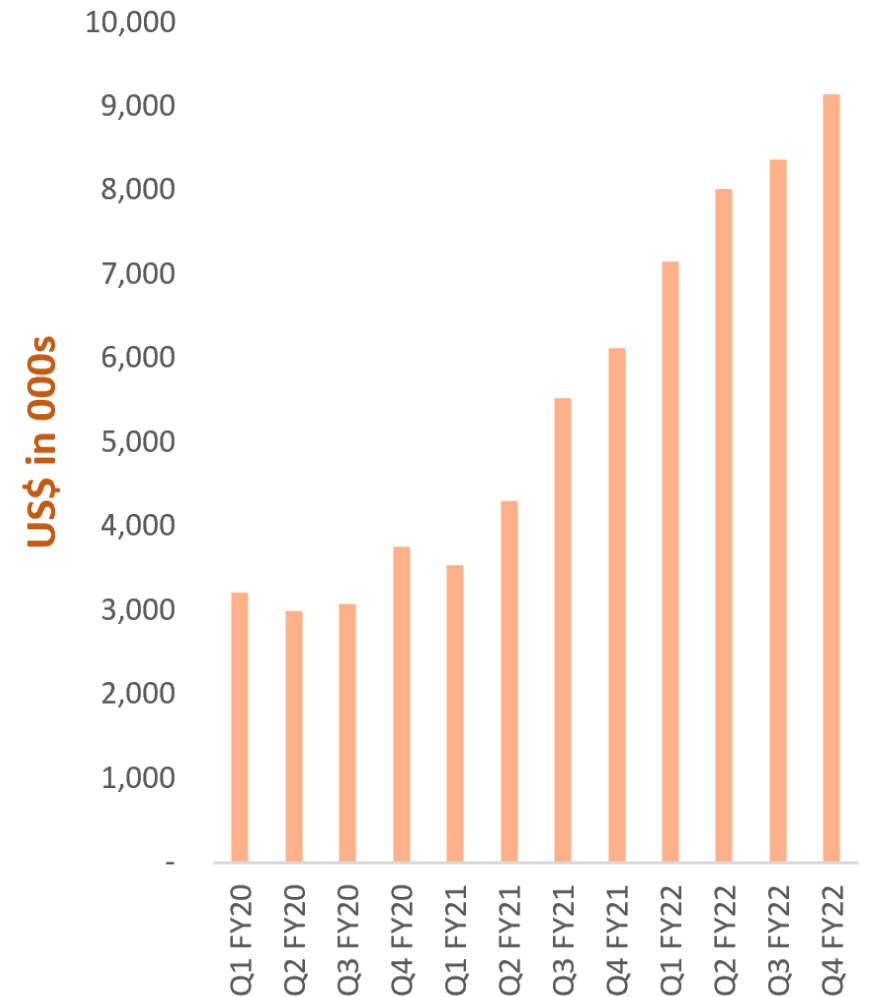
June 23

Influencer launch event in USA to accelerate brand awareness and press. Previous event reached 85m people.

Investment summary

- Established operations in the US and Canada with additional international expansion opportunities
- Well funded with existing cash at bank and untapped financial facilities to continue growth trajectory while maintaining focus on cost management
- Planned reduction in cash expenditure across digital marketing
- Online sales continue to increase with traditional retail outlets across North America complementing sales growth
- Exciting product innovation and further optimisation of manufacturing practices to drive revenue with lower COGS and higher gross margins

Trailing 12 month net sales



Thank You

Stay Hydrated

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Appendix 1: Established North American sales footprint across 15k + doors

Products stocked with major US and Canadian retailers including (but not limited to):



Plus multiple independent bricks and mortar stores

HydraLyte