

AGM 2024 CEO Presentation

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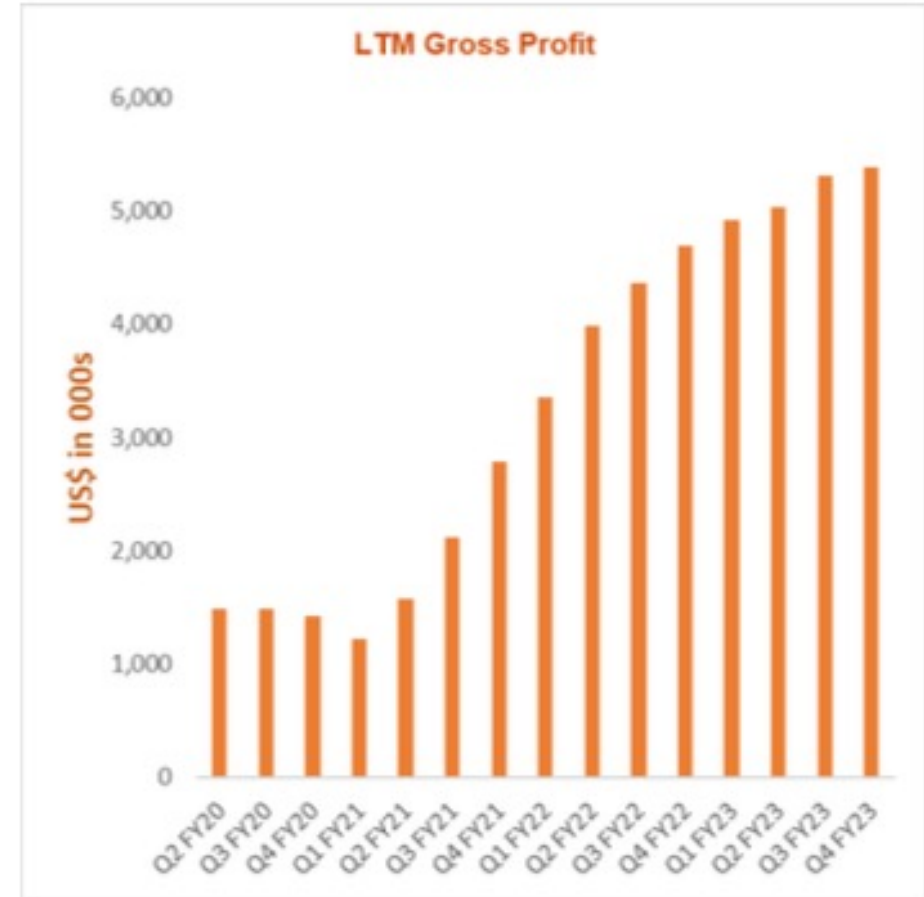


2023 Highlights

Focused remained on reduction of cash burn whilst maintain growth

Highlights

- 10% increase in FY2023 net sales to US\$10.0M
- 2ppt increase in Gross Margin to 54% resulting in a 15% increase in Gross Profit from US\$4.7M to US\$5.4M
- Sales and Marketing expenses decreased by US\$2.4M
- Marketing as a percentage of sales decreased to 39% down from 74% in FY22.
- Net cash used in operating activities down 41% to US\$5.7M
- Underlying EBITDA Loss of (US\$6.6M) – after adjusting items including share based payment expenses, amortisation and FX gains; this marked a US\$2M reduction over FY22



Q1 Highlights and intention to implement sale of company

Q1 FY24 Quarterly Report and Appendix 4C: 43% Reduction in YoY Net Operating Cash Use to Record Low

Net cash used in operating activities reduced to US\$0.83m, a 43% decrease on PCP (Q1 FY23: US\$1.45m) and down 27% on previous quarter (Q4 FY23: US\$1.14m) – marking the seventh consecutive quarter of reductions

- Net sales of US\$2.17m – up 2% on the previous quarter (Q4 FY23: US\$2.13m)
- After accounting for US\$0.45m in unshipped orders due to out of stock inventory, underlying sales growth for Q1 FY24 increases to 23% on the prior quarter to US\$2.62.
- Gross margin increased 3ppt on PCP (Q1 FY23: 47%) to 50%, increasing to 56% when adjusted for once-off inventory writedowns
- Gross margin negatively impacted by inventory write-off of US\$0.13m in the shift towards the high profitability SKUs, reducing margin by 6ppt from 56% to 50%
- Amended funding agreement signed with Pure Asset Management providing additional funds to the Company
- New funds will be used in order to seek to implement a sale of the Company for the benefit of stakeholders
- Continued execution of stated strategy to reduce cash expenditure and extend cash reserves

Quarterly TTM Net Sales and Net Cash Used

