

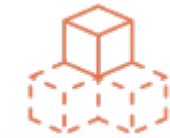
# HydraLyte<sup>®</sup>

## 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

Co-owner Shay Mitchell: actress, producer and super influencer with +53m followers worldwide

3 November 2023

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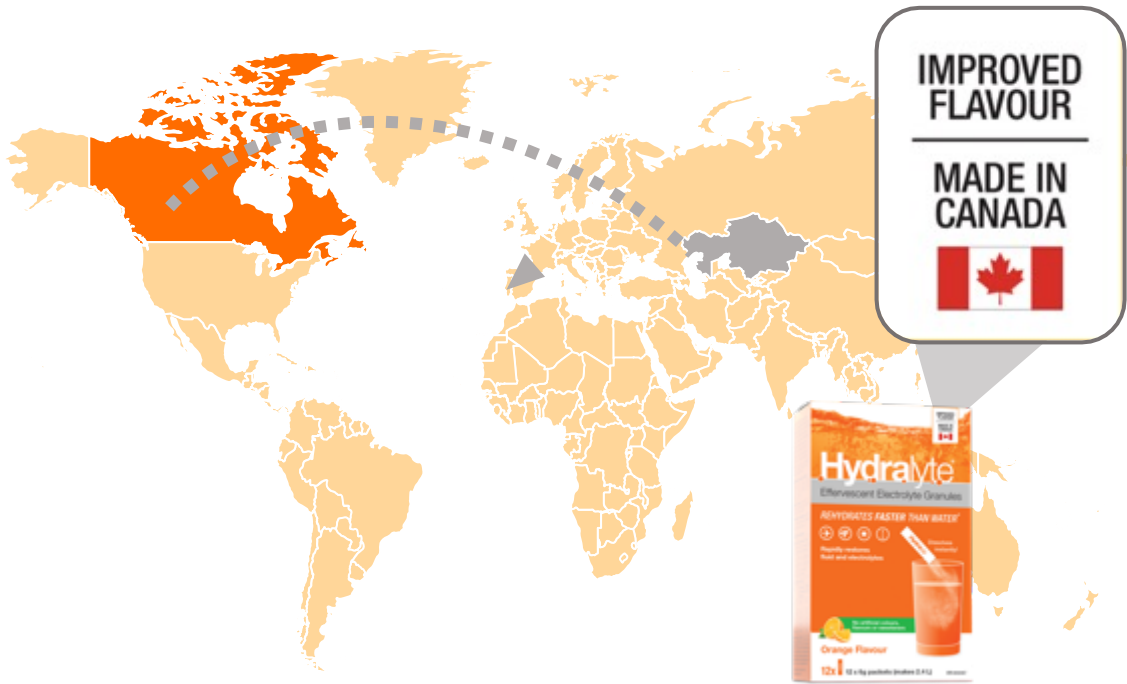
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# Major structural moves completed in Q3 FY23 unlock a new phase of growth

Optimised supply chain and new sales broker to underpin strong gross margin and deliver multiple other benefits



**Powders now made in Canada resulting in:**

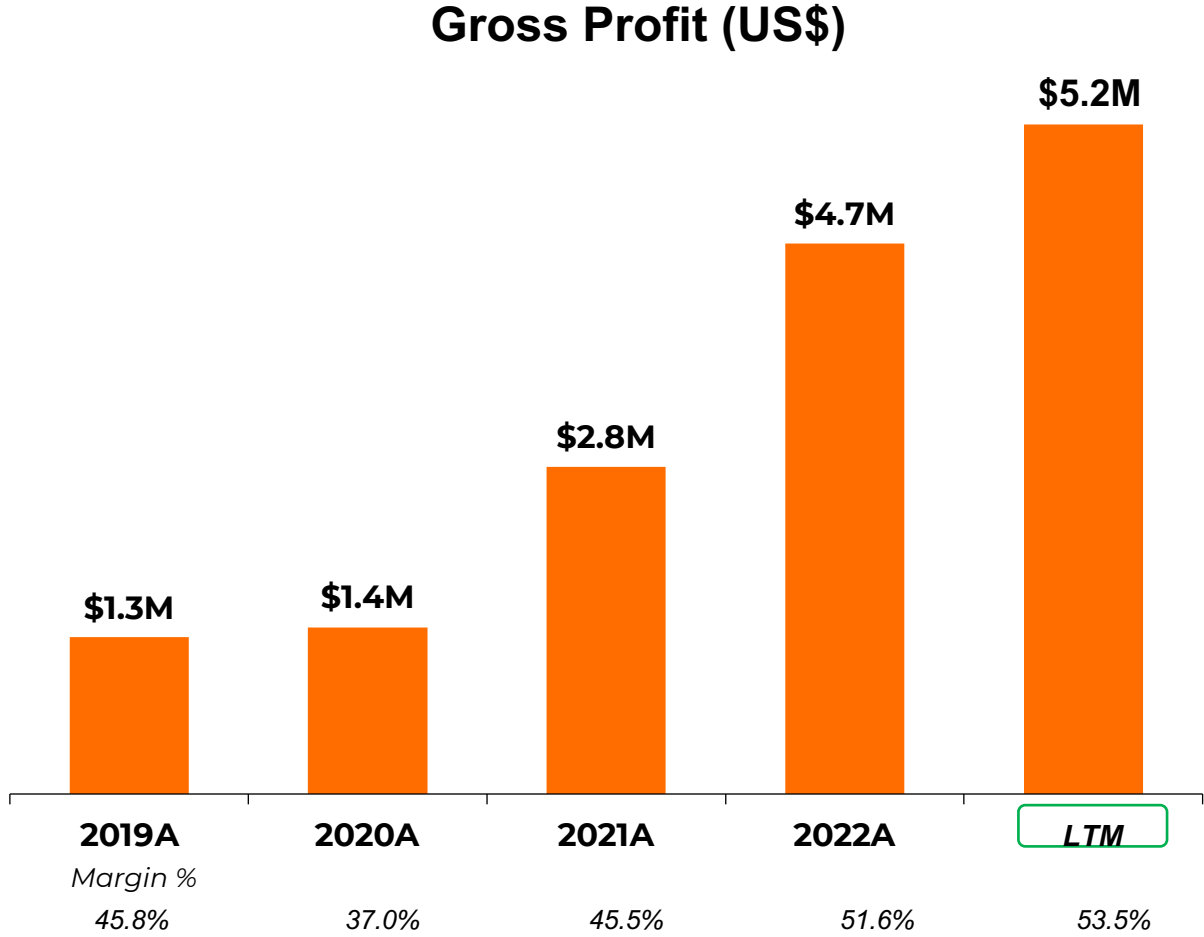
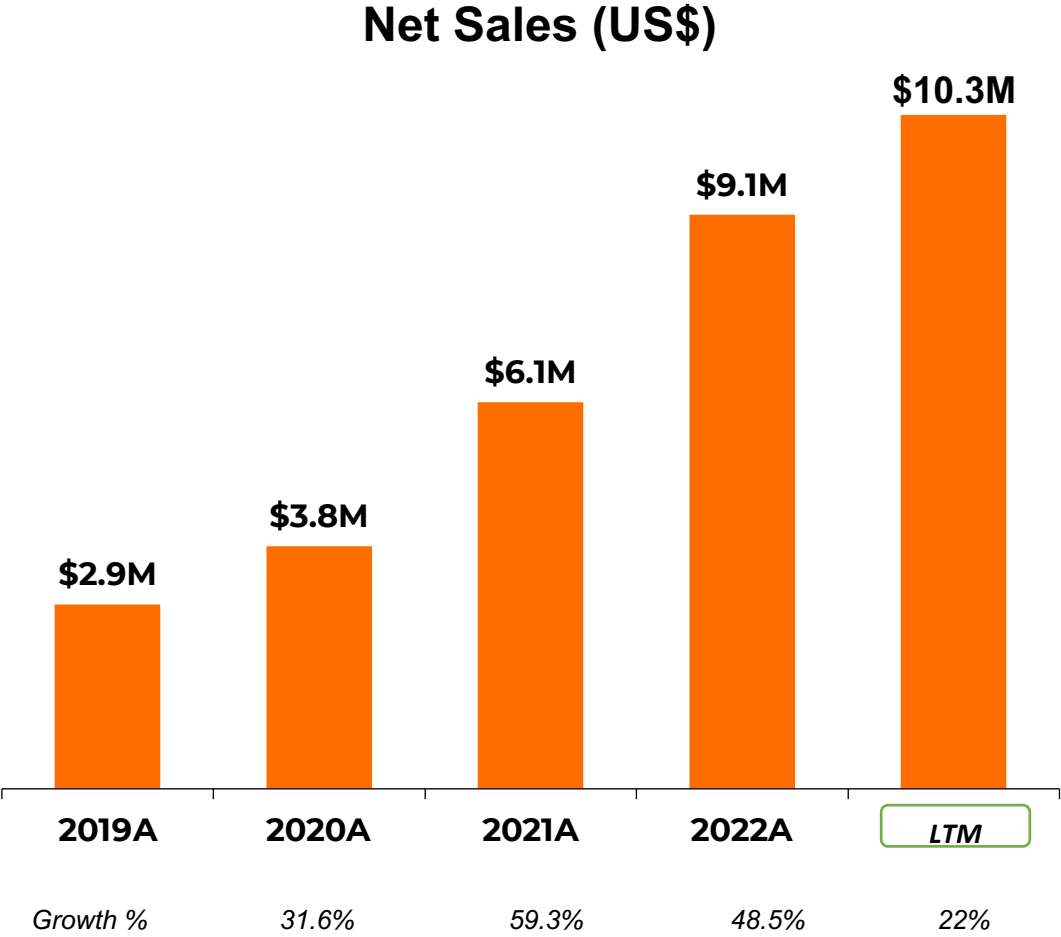
- Fewer out of stocks
- Improved taste on poorest performing flavours
- Reduced shipping costs

**Transition to new sales broker, LeBeau Excel:**

- Superior sales team and in-store support
- Considerably broadens in-country footprint
- Expected 2-3% gross margin improvement

# Ongoing track record of sales and gross margin improvement

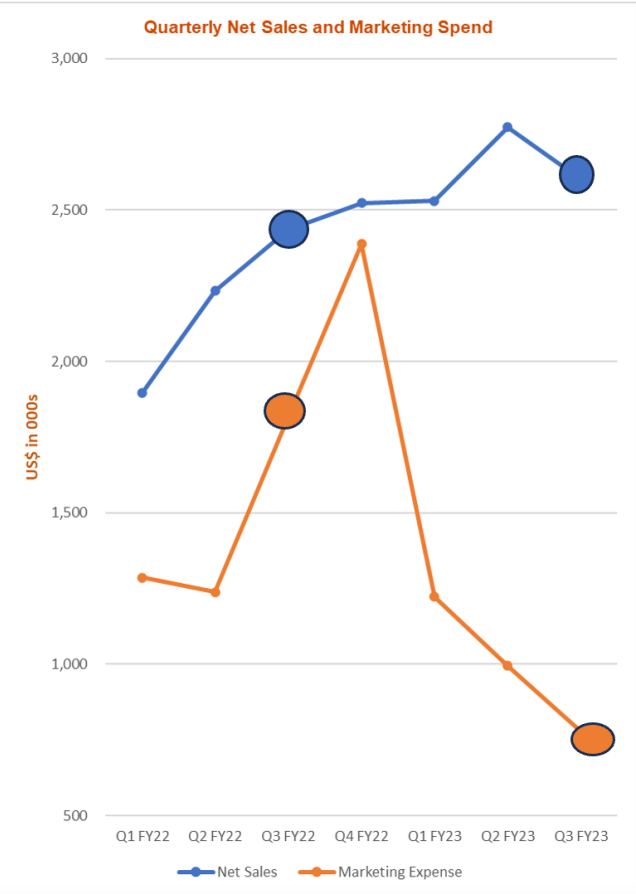
Q3 FY23 highlighted pleasing YoY reductions in cash burn and ongoing revenue growth



# Additional Q3 FY23 financial highlights

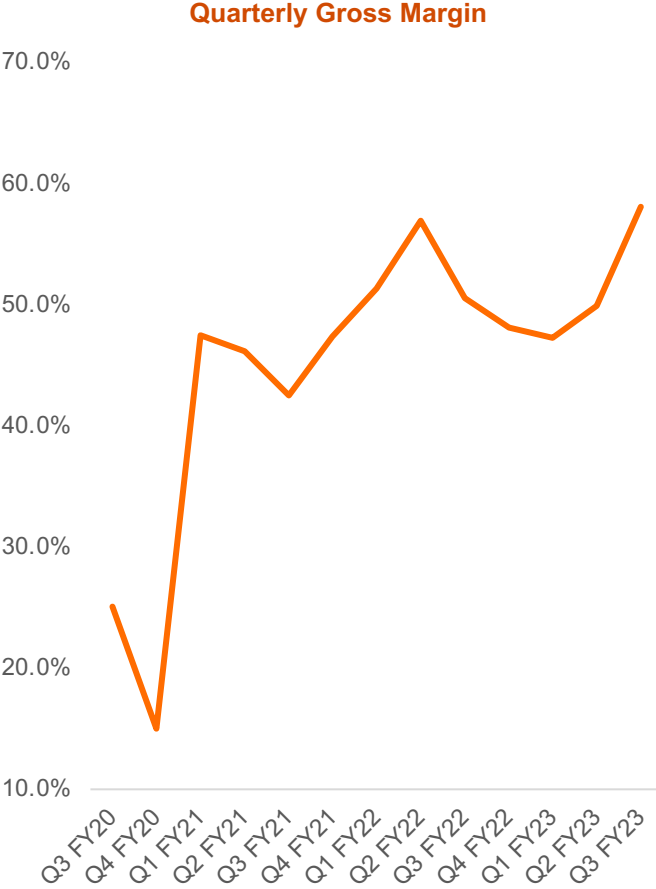
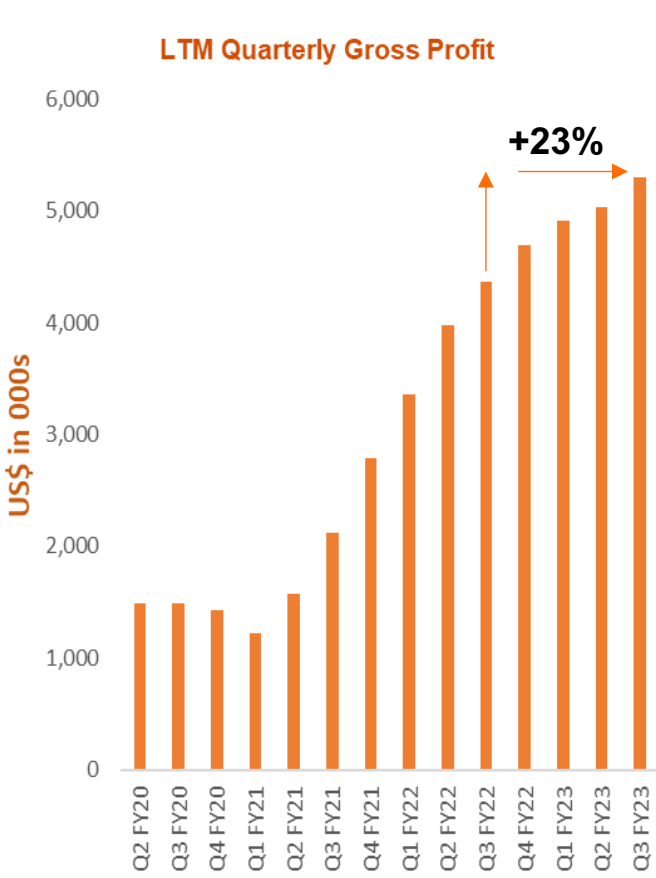
Overall marketing spend continues to reduce with continued sales growth and record gross margins

## Sales vs marketing



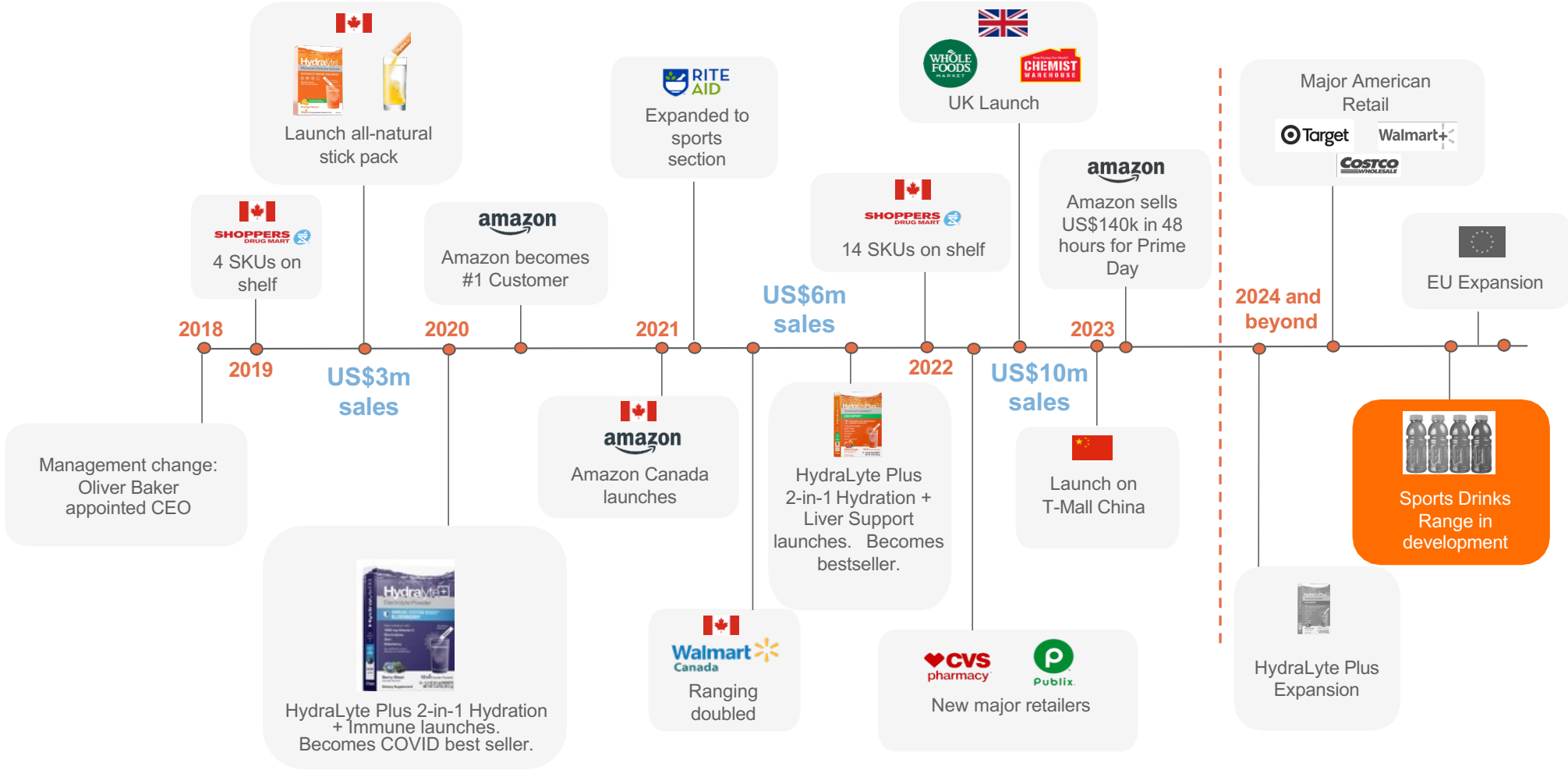
- Continued reduction in spend while maintaining growth
- Marketing as percentage of sales down third straight quarter

## Gross Margin



- Strong gross margin growth on modest sale increases during Q3 FY23
- Trend expected to continue as Canadian manufacturing increases alongside LeBeau Excel transition

# Growth opportunities - Major opportunities lay ahead



Opportunities are subject to change at the Company's discretion, without notice.


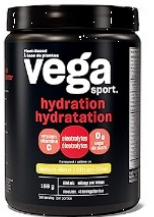


# Amazon Prime Day highlights ongoing demand

Hydralyte products were #1 in category in Canada – sports tablets also a top #5 SKU

Stock Keeping Unit (SKU)	48hr sales (US\$)
Hydralyte powder packets Variety Pack 30ct	\$113k
Hydralyte powder packets Variety Pack 24ct	\$40k
Twin Pack Sport Tablets - Blood Orange	\$26k
Twin Pack Sport Tablets - Lemon Lime	\$20k
Hydralyte Regular Tablets Variety	\$19k



## Best Sellers in Electrolyte Replacement Supplements

<p>#1</p>  <p>Hydralyte Electrolyte Powder Packets Variety Pack Berry/Orange/Lemonade 30 Pack Hydration Mix to Prevent and Relieve...</p> <p>★★★★★ 627</p> <p>\$40.99</p>	<p>#2</p>  <p>Vega Sport Hydration Electrolyte Powder Lemon Lime (40 Servings) Vegan Hydrator, Keto Friendly, Gluten Free, Non Dairy, Sugar...</p> <p>★★★★☆ 779</p> <p>\$23.02</p>	<p>#3</p>  <p>Hydralyte Electrolyte Powder   Tropical Variety Flavors of Electrolytes   All Natural Hydration Solution Safe for the Whole Family  ...</p> <p>★★★★★ 72</p> <p>\$30.74</p>	<p>#4</p>  <p>Key Nutrients Electrolytes Packets - Tropical Peach Mango 20 Pack - Electrolyte Powder - No Sugar, No Calories, Gluten Free - Powder...</p> <p>★★★★★ 9,987</p> <p>\$16.99</p>
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# Health Canada approval for two new products – Launching in Canada shortly

New products granted under Health Canada licence are already best sellers in the USA

## HydraLytePlus®

New NPN

New NPN



Fastest growing powder SKU in the category (over US\$100k)



Hydralyte Plus Collagen



Hydralyte Plus Immune Support

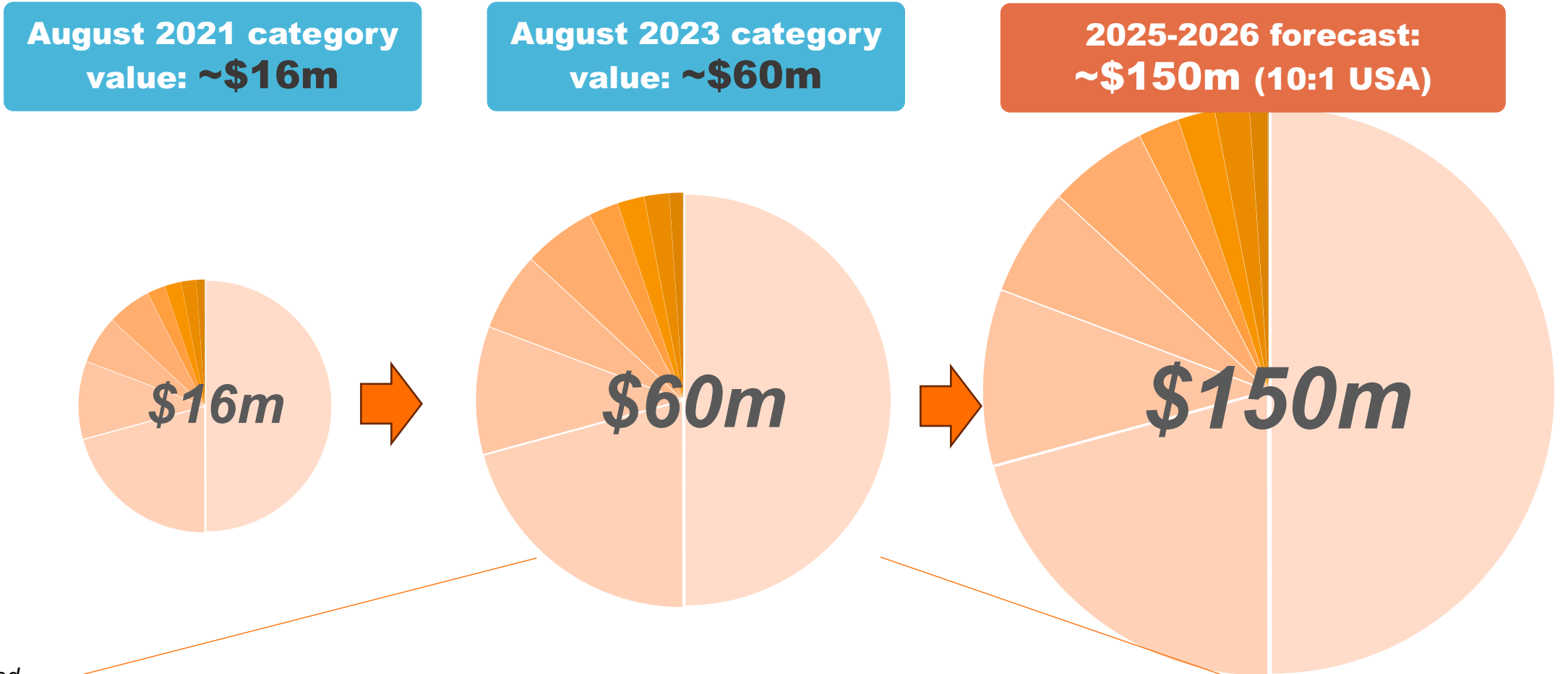


Source: IQVIA 52 Weeks through May 2023 Category Data for Food Drug and Mass. Excludes Fridge Items except Biosteel.



# Canada's 'Hydration' Category has organic upside to ~\$150m – Ready to drinks driving category growth (excludes sports drinks but includes Biosteel) Pharmacy, Mass (Walmart) and Grocery only

Canadian category has 4x'd in two years. Lead by Pedialyte (market leader), Biosteel (financial challenges) and Hydralyte  
Category should normalise to 1/10<sup>th</sup> of the USA, currently ~\$1.5b. Isolated clinical strength brands or core 'sport hydration'



Brands Tracked



All currency is CAD

Source: IQVIA 52 Weeks Category Data for Food Drug and Mass. Excludes Fridge/Grocery Items. 52 Weeks IRI + Jungle Scout Amazon Estimate plus estimate Costco + Estimate D2C

# Strategy is resonating with Canadian retailers

- Customer targets comparison – Unisex/female skew complements customer base and brand ambassador advantage
- Hydralyte outsells major competitor 2:1 in powders and tablets - with an opportunity to extend this to ready to drinks



Gender Breakdown	Age Range	Key Marketed Usage Occasions	Partners
<p>57% 43%</p>			<p>Shay Mitchell Canada's #1 influencer</p> <p>Instagram: 37.6M Tik Tok: 7.6M YouTube: 4.1M</p>
<p>44% 56%</p>			<p>Top 10 Influencers/Athletes Combined</p> <p>Instagram: 18.6M</p>

# Hydralyte vs main ready to drink competitors

HPC's product (under development) has a number of advantages over existing offerings

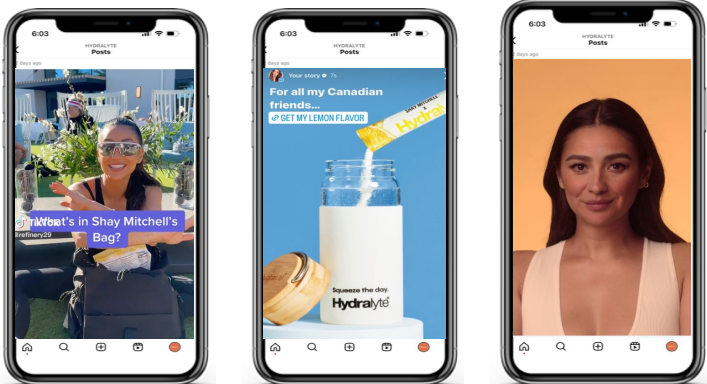


	HydraLyte Rapid Rehydration (500 ml)	BioSteel Electrolyte Drink	Gatorade Electrolyte Drink (591 ml)	Prime Hydration (500 ml)
Rapid Rehydration (WHO Formula)	✓	X (no sugar)	X (high sugar)	X (no sugar)
Demographic	Family / Unisex	Young Men	Family	Kids
Caffeine	Nil	Nil	Nil	Ultra High
Electrolytes per 250 ml Serving *	HIGH	MED	LOW	MED
All Natural Ingredients	✓	✓	X	X (sweetener)
More Sustainable Packaging	✓	✓	X	X



Refrigerated shelf snapshot

# Shay Mitchell driven value



## Growth opportunities outside North America

Focus remains on USA and Canada, but HPC has laid foundations for growth in Europe and China – two major addressable markets

### HYDRALYTE GLOBAL TERRITORIES



■ Exclusive HydraLyte North America markets

■ HydraLyte Australia owned by (Prestige Brands) exclusive

#### Opportunity 1



- Recent appointment of Roolife as Chinese partner to develop HydraLyte T-Mall Store and develop go-to-market for stores.
- Scope includes the development of Chinese consumer strategy, content repurposing, translation and on-going marketing
- 100% plug and play, resource light

#### Opportunity 2



- Tracking at US\$50k per month in sales and growing
- Small distributor set up in UK managing local Amazon and [hydralyte.co.uk](http://hydralyte.co.uk)
- UK currently cheapest cost of growth on Amazon
- Optional expansion to EU in future



# Thank You

Stay Hydrated

